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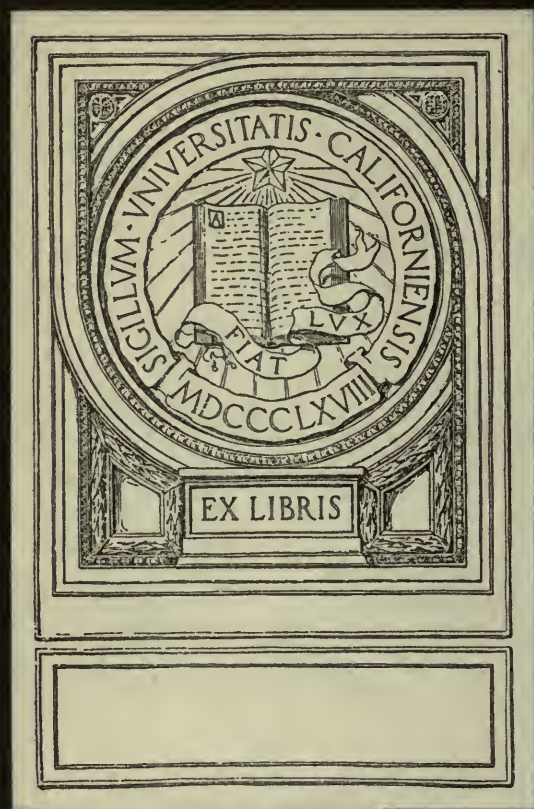
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ASSOCIATION OF RAILWAY EXECUTIVES

CONFERENCE COMMITTEE OF MANAGERS

MISCELLANEOUS STATEMENTS, ETC.

IN CONNECTION
WITH HEARINGS BEFORE THE

United States Railroad Labor Board

CONCERNING THE VARIOUS

NATIONAL AGREEMENTS

AND THE

RULES AND WORKING CONDITIONS REQUESTED BY VARIOUS ORGANIZATIONS

INDEX	Pages
Opening Statement of the Conference Committee of Managers.....	2 to 5
Abolition of Piece-Work.....	6 to 13
Decisions of Various Boards of Adjustment having reference to re-instatement of employees.....	14
Methods of Pay used in Analogous Industries.....	15 and 16
Construction placed on Shop Rules Nos. 153 and 154.....	17 to 20
Statement of Mr. B. M. Jewell, January 10, 1921.....	21 to 24
Statement of Mr. E. T. Whiter, January 10, 1921.....	25
Statement of Gen. W. W. Atterbury, January 31, 1921.....	26 and 27
Statement of Mr. J. G. Luhrsen, January 31, 1921.....	28
Statement of Mr. E. T. Whiter, February 3, 1921.....	29
Correspondence relating to requests of the Transportation Organizations and the Switchmen's Union.....	31 to 39
Closing Statement of the Conference Committee of Managers.....	40 and 41
Resolution of the United States Railroad Labor Board dated February 9, 1921, read into record February 10, 1921.	42 and 43
Statement of Mr. Frank P. Walsh on behalf of the employees February 10, 1921.....	44 to 50

NO. 1000
ALBANY, N.Y.

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OPENING STATEMENT

Before going into the detailed reasons for our objections to the continuation, perpetuation or adoption of "National Agreements", we want to make it clear to the Board that the railroads do not object to schedules properly negotiated and entered into with their own employees, as is evidenced by the fact that nearly all, if not all, of the roads represented by this Committee, have had schedules with the various train service organizations for many years; all these schedules were made by direct negotiations except as affected by concerted movements and arbitrations as described in our presentation of May 18, 1920 (pages 2152 to 2155 of the proceedings), and the railroads will continue to work under them unless changed as provided for therein. Prior to Federal control, some roads had schedules with other classes of their employees; many had no schedules with any crafts other than the train service organizations, but there were no so-called "National Agreements" which made all rules uniformly the same throughout the Country. All roads that did have schedules directly negotiated them to fit their own conditions with their own men, who in some cases were assisted by Grand Lodge officers, excepting the schedule covering the Shop Crafts on twelve Southeastern Roads, yet in every case the railroads had the undisputed right to negotiate their own schedules, which was denied during Federal control.

Under Governmental control the railroads were unified and considered as one, and the Director General entered into so-called "National Agreements" with the Shopmen, Maintenance of Way employees, Clerks, Firemen and Oilers, and Signalmen. The first of these so-called "National Agreements" was made with the Shop Crafts less than six months, and the last, that with the Signalmen, only a few days before the return of the roads to their owners. The railroads had no voice in their making, and cannot be considered as bound by agreements made by the Federal Administration for the period of Federal control. These agreements which were of universal application for the period of Federal control, were specifically recognized by the parties signatory thereto as effective during this period only, and contain nothing that would impose such obligation upon all roads alike after individual responsibility had to be assumed by the separate railroads for their successful operation as separate properties.

Therefore, we contend that under private control, consideration must necessarily be given to the conditions and peculiarities of operation on the individual properties in the preparation of any regulations governing the working conditions of employees of those properties. The only parties who are fully qualified to consider such regulations are the individual managements and their employees.

Many of the rules in the so-called "National Agreements" are so ultra-restrictive that they positively prevent reasonably economical operations, and result in serious interference with efficiency and production. There should be no such interference with the responsibility of the Managements as might unreasonably impair the efficient and economical operation of the properties, of which responsibility the Managements cannot divest themselves, and which responsibility is specifically placed upon them by the provisions of Section 422, Sub-titles Nos. 2 and 3 of the Transportation Act, 1920, in the following language:

"(2) In the exercise of its power to prescribe just and reasonable rates the Commission shall initiate, modify, establish or adjust such rates so that carriers as a whole (or as a whole in each of such rate groups or territories as the Commission may from time to time designate) will, UNDER HONEST, EFFICIENT AND ECONOMICAL MANAGEMENT and reasonable expenditures for maintenance of way, structures and equipment, earn an aggregate annual net railway operating income equal, as nearly as may be, to a fair return upon the aggregate value of the railway property of such carriers held for and used in the service of transportation; PROVIDED, That the Commission shall have reasonable latitude to modify or adjust any particular rate which it may find to be unjust or unreasonable, and to prescribe different rates for different sections of the country.

"(3) The Commission shall from time to time determine and make public what percentage of such aggregate property value constitutes a fair return thereon, and such percentage shall be uniform for all rate groups or territories which may be designated by the Commission. In making such determination it shall give due consideration among other things, to the transportation needs of the country and the necessity (UNDER HONEST, EFFICIENT AND ECONOMICAL MANAGEMENT OF THE EXISTING TRANSPORTATION FACILITIES) of enlarging such facilities in order to provide the people of the United States with adequate transportation; PROVIDED, That during the two years beginning March 1, 1920, the Commission shall take as such fair return a sum equal to 5½ per centum of such aggregate value, but may, in its discretion, add thereto a sum not exceeding one-half of one per centum of such aggregate value to make provision in whole or in part for improvements, betterments or equipment, which, according to the accounting system prescribed by the Commission, are chargeable to capital account."

Considering the responsibility upon the individual properties, and the variable conditions which are encountered in the different sections of a country so large as the United States, we feel confident that the Board will recognize the justification for considering such variable conditions which we hold makes impracticable the universal application of the provisions of the so-called "National Agreements".

By reference to the compilation "Official Interpretations of the Rules of the National Agreement" (covering the Shop Crafts), it will be noted that questions arose as to the intent of the larger proportion of the rules. In numerous cases the answers were to the effect that the rules are clear as written and there is no necessity for interpretations. To this attitude we take pronounced exceptions.

We hold that many of the rules are so worded that they are capable of various constructions and have resulted in so-called Interpretations which are in fact new rules; others are impractical of application without incurring excessive penalties. Notwithstanding the parties who prepared the rules may have considered them clear as written, experience in trying to work under them has demonstrated that they have resulted in extraordinarily numerous questions from both the employees and the Managements. This in itself, makes the rules particularly objectionable.

We respectfully ask, therefore, that this Honorable Board leave the individual roads free to negotiate their own schedules, so as best to meet justly the widely varying conditions on the different roads. We hold that this principle is recognized in Section 301 of the Transportation Act itself, which provides that the railroads and their employees shall negotiate directly with each other to the fullest extent before referring questions at issue to other tribunals.

The so-called "National Agreement" covering the Shop Crafts provides that the rules contained therein apply to all employees of any particular craft **regardless of the department in which employed.** For example: Steam Fitters, Plumbers, Water Service Repairmen and other Pipe Fitters, Tinsmiths, Electricians, Metal Bridgemen, Blacksmiths, Machinists, Bench Carpenters, Cabinet Makers, etc., employed in the Maintenance of Way Department, and having no interest in or connection with the Maintenance of Equipment Department, are nevertheless, subject to the rules of the Maintenance of Equipment Department and are represented by the Committee of that Department. Under these conditions portions of gangs are necessarily governed by one set of rules and other portions of the same gangs by another, which is obviously wholly wrong in principle and practice.

The seniority rules for certain mechanical crafts limit them to the place where employed, while rules of the Maintenance Department where these employees are engaged, usually provide territorial seniority, thus producing an undesirable and in fact impracticable situation. Employees of each department should be separate and distinct from the employees of any other department, and should be governed entirely by the rules or schedules of the department in which they are employed. The rules governing employees engaged in Maintenance of Way and Structures should be especially prepared for and adapted to that department. There should be no division of jurisdiction. It is true that certain mechanical work is required in the Maintenance of Way Department. Nearly all of it is road work, performed under entirely different conditions than prevail in shops and shop rules are not applicable. The employees who perform this work must be trained, supervised and promoted by the officials of the department in which they are employed, in order to secure that efficiency, economy and dispatch which is essential to good management and the proper discharge, by the railroads, of their duties as common carriers.

Rules agreed upon by the individual railroads with their employees can be so constructed as to give employees who are members of the same craft, but employed in different departments, all of the protection to which they are justly entitled.

Those roads, represented by this Committee, which have been working on the eight-hour day basis, will continue to do so unless changed by mutual agreement with their employees as outlined in your Decision No. 2, and will apply the rates awarded in that decision, but they must have the right to re-establish more efficient and economical practices, when it is found desirable and practicable to do so. We refer, among other things, to piece-work methods which were abolished. This action has cost many millions of dollars to the roads which had for years successfully produced much of their output by piece work methods. This excess cost, which is really a loss to the railroads, is piling up day after day and will continue to do so as long as the railroads are prevented from re-establishing the piece work basis and until the railroads are free to re-establish such former practices they will not be able to comply wholly with the requirements of Section 422, Sub-Titles 2 and 3 of the Transportation Act, 1920, heretofore quoted. By this method the output of the shop is increased, and the workmen on account of their ability and skill are afforded opportunity for receiving increased compensation over and above what they would receive working on the day basis. The piece work method is well recognized as being the most efficient method of operation and proof of this is the large number of manufacturing plants throughout the United States which are working on a piece work basis and further proof that many men desire piece work, is that, when this method of pay was abolished, a great many employees left the railroad shops and entered the service of car building and other manufacturing plants where the piece work system of pay was in effect. Among the elements set forth in the Transportation Act for determining rates of pay is Item 4, Section 307—"The training and skill required." We hold that the piece-work system of pay affords a specific basis for compensating employees under this requirement, which at the same time is just and reasonable.

The railroads must have relief from rules controlling the employment of men, which are so restrictive as to prevent them from obtaining a sufficient number of employees in certain departments, thus further restricting output and causing delay to the movement of traffic.

The objections to the various unduly restrictive rules and rules which provide pay for work not performed, will be pointed out for the information of the Board as we progress in our submission.

The organizations, in addition to asking for the continuation of the so-called "National Agreements", also ask that the various interpretations thereto, and supplements and addenda issued by the Federal Administration including Decisions

of the various Boards of Adjustment, be also continued in effect. We shall endeavor to show at the proper times the further punitive and restrictive conditions imposed upon the carriers by some of these interpretations, supplements, etc.

There are rules that are not objectionable, which the individual roads would consent to adopt, but, even with regard to such rules, we contend for the principle which will recognize the right of the railroad officers to negotiate their schedules with their own employees.

Each of the so-called "National Agreements" provides:

"It is understood that this agreement does not annul agreements already in effect with other organizations unless and until a majority of the employees concerned express a desire for a change."

Prior to Federal control, on certain railroads the Organizations parties to the so-called "National Agreements" did not represent the employees; in fact, on some of such roads no organizations represented them; on others, while no schedules were in effect, the employees were members of other organizations. Notwithstanding the employees do not desire the organizations listed to represent them, because the organizations of which they are members held no schedule, the organizations listed claim the contract applies on such properties. When the railroads were unified under Federal control, the principle that the majority should govern may have justified the claim to a certain extent, but as each railroad is now a unit, the situation on each railroad should govern.

The fact that 100 per cent of the employees on one railroad may be members of the designated organizations, can have no effect whatever on another railroad where less than 50 per cent. of the employees are members. The Management of each railroad has to meet the conditions thereon, and the situation on another property can be of no advantage or detriment to it.

On at least one railroad, the majority of one craft at each location are members of another organization; at their principal shop, for the other crafts the situation is mixed—the majority of certain crafts are members of the organizations listed, while the majority of other crafts are members of a rival organization. The majority of all the employees at this shop are members of the rival organization. To decide by crafts for the system who shall represent the employees would make the majority at certain locations subject to the will of the minority, to which they are strongly protesting; in fact, there are cases where the employees positively refuse to be subject to the provisions of the so-called "National Agreement".

We believe that the Board should not approach this subject from the angle of a schedule with any organization; or that the Board can properly say what organizations shall or shall not represent the employees. The subject should be dealt with from the standpoint of what are proper regulations for the character of service under consideration, and that the question of whether they shall be applied on the individual properties, in the form of a schedule with certain organizations, depends upon the policy of the individual property and the desire of the majority of the respective classes of employees on that property.

In line with the preceding paragraph, we desire to call the attention of the Board to the so-called "National Agreement" of the Stationary Firemen and Oilers, which was executed January 16, 1920, only one month and a half before the return of the roads to private control. So far as we have been able to learn, this Organization had no contract on a single road prior to the so-called "National Agreement", and has, so far as we can learn, only a very limited membership on but very few of the roads represented by this Committee. It would be manifestly unfair not only to the Management but to the employees on roads where this Organization is not represented, or where their membership is in the minority, to place them under the rules and control of that Organization.

As will be brought out under the rules of other so-called "National Agreements" apparently many of them are taken from the so-called "National Agreement" covering the shop employees. The preponderating work of the shop employees is at fixed points, while the preponderating work of the Maintenance of Way and Signal Department employees covers considerable distances and ranges of territory. The rules of the shop agreement covering the use of the employees away from the fixed points apply only in emergency, while similar rules for Signal Department and Maintenance of Way Employees, if applied to them, would be effective in the preponderating or characteristic conditions of the service. To extend to the preponderating or typical conditions in any department, rules of another department which are applied only under emergency or exceptional conditions, is wholly unreasonable and unjust, and we hold that the Management of no railroad, if free to negotiate its own schedule, could justify the granting of such rules and that the imposition upon the Managements of rules which disregard the conditions attaching to the service would make it impossible for the Managements to meet and discharge their responsibility for the **honest, efficient and economical** operation of their properties. Rules should be practicable of application without incurring penalties; any rules which are impracticable of application, and which consequently result in penalty payments under ordinary conditions, are unsound, unreasonable and uneconomical and should be emphatically declined.

The proposed so-called New "National Agreement" served upon the Roads by the Maintenance of Way organization is more drastic and restrictive than the one given that Organization by the United States Railroad Administration.

This Committee contended at various times during the wage hearings that the consideration of the request made by the organization representatives for the continuation or perpetuation of the so-called "National Agreements" was not properly before the Board in connection with the wage issue because from our point of view the spirit and intent of Section 301 of the Transportation Act had not been complied with, except on some of the Southeastern roads and perhaps one or two others where the Managements agreed with the organization representatives to refer the matter to this Board for decision.

The organizations have submitted to the Board a large list of railroads on all of which they claim that the requirements of Section 301 of the Act have been fulfilled. We cannot agree with such claims. We cannot believe that serving notice upon the various railroads by the organization committeemen (who stated that they had instructions that they might discuss, but must not change or modify in any manner, provisions of proposed schedules providing for the continuation of the so-called "National Agreements") constitutes the character of negotiations contemplated by Section 301 of the Transportation Act, yet this was the method of procedure followed by the Organizations which held "National Agreements", and which their representatives claim was compliance with the Act, and so certified to this Board.

In Decision No. 2 your Honorable Board has stated that further hearings on the question of rules, working conditions, and schedules will be held and a decision rendered thereon as soon thereafter as practicable. We firmly believe that the Board after considering our foregoing statements supplemented and illustrated by the following detailed analysis of certain of the rules, will be convinced that the widely varying conditions on the different railroads can be properly considered and disposed of only by direct negotiations on the individual properties, and will accordingly deny the request of the employees for the continuation or perpetuation of the so-called "National Agreements", together with the interpretations and rulings thereon.

ABOLITION OF PIECE WORK

Mention was made several times yesterday that if the employees were permitted to use their own discretion, or if influence was not used to prevent them from using their own discretion and making their own selection, that there would not be much opposition by the men to the piecework method of pay. We will read into the records here the following which appears in Official Circular No. 86 issued by the Railway Employees' Department of the American Federation of Labor, under date of December 30, 1918:

LETTER ON ABOLITION OF PIECEWORK

"Mr. W. S. Carter, Director,

"Division of Labor,

"I. C. C. Building, City.

"December 27, 1918.

"Dear Sir:

"Under date of November 4 we addressed a communication to the Director General on the subject of abolishing piecework on all railroads, urging that this action be taken in the form of a General Order in compliance with the expressed desire of the members of our organizations who have been compelled to work under the piecework system. In the same letter we also embodied a request that all piece workers be granted at least 13 cents per hour above their piecework earnings as shown by pay roll records of December, 1917, this increase to be effective from January 1, 1918, up to and including the date when piecework would be abolished.

"The question of abolishing piecework and the insistent demands that these men be granted the same ratio of increase as given to all hourly workers, rendering the same class of service in the same trade and shop, together with the proper application of the awards to the employees who were previously receiving a bonus and was cancelled without due notice, have been burning questions for several months back, and in fact since the issuance of Supplement No. 4 on July 25. We have taken this matter up with the several divisions of the Railroad Administration repeatedly, but up to the present time no definite results have been secured.

"In order to retain control of the membership who are now more determined than even that piecework shall be abolished from all systems, the delay in adjustment of these matters materially contributing to this state of feeling, we have found it necessary to issue a circular letter to all system federations advising that a meeting be called for the purpose of deciding on date of notice to be served on the railroad officials when piecework will be discontinued. These instructions are being carried out on all roads where the piecework practice is in effect, and the members are warned against any suspension of work, or reduction of output, the change to be brought about without in any way affecting the efficiency of the service.

"We would rather have preferred a settlement of this question in a more orderly manner, feeling, however, that the only course offering relief has been followed.

"May we again urge upon you the necessity of hastening all possible the interpretations of the orders as they apply to pieceworkers and bonus payments in order to enable us to make some report to the membership on these questions which have been so seriously delayed, and have already exhausted all patience. We understand that the decisions have been in the hands of the Director General for some time, and should in our opinion have satisfactorily settled these matters without entailing the dissatisfaction that now exists.

"Trusting you will fully appreciate our desire to secure an early decision of these matters and hoping to be advised of action taken, I am,

"Yours very truly,

"B. M. JEWELL,

"Acting President Railway Employees' Department."

HONOR ROLL—ABOLITION OF PIECEWORK

"In order to secure accurate information as to the number of roads abolishing piece work and to lend encouragement to our members in their efforts to rid themselves of the accursed practice, we feel that it is not only appropriate to list under this heading, but believe by this means the information gathered will be of much value to all concerned.

"We have received many letters from time to time advising of contemplated action on this matter, but unfortunately we have not compiled this information as a ready reference. The few roads hereunder listed represent a good beginning, but by no means complete the list that properly come under this heading, we therefore hope that no offense will be taken if some have been overlooked, and kindly request that we hear from you on this matter at your earliest convenience, filing copy of all correspondence exchanged on the subject and advising of present status.

"In view of the importance of this question the same should be handled as a system federation and not as a local matter. It should also be understood that the movement is supported by all of the federated trades, even if but one or more organizations are at present affected.

"We are not unmindful of the fact that more or less opposition can be expected from the officials on some roads where piecework has become a "hobby", although having no further reason to recommend it, other than forcing upon the employees a condition that was not in any way acceptable. We have confidence, however, in the judgment of the officers and members to handle this matter with tact and diplomacy and avoid any action that will precipitate either suspension of work or interfere with the efficient operation of the road.

"GET YOUR RAILROAD ON THE HONOR LIST

"Baltimore & Ohio.

"Delaware, Lackawanna & Western.

"Atlantic Coast Line, ultimatum has been served.

"Chicago, Burlington & Quincy, system federation has served notice that piecework will be discontinued after January 2.

"New York Central (Elkhart, Ind., shops), notice served by employees that they decline to accept piecework cards after January 1."

Further in this same connection the following appears in Official Circular No. 87 issued by the Railway Employees' Department of the American Federation of Labor, under date of January 8, 1919:

"Dear Sirs and Brothers: As a New Year greeting we are pleased to quote hereunder a copy of telegram from Mr. W. G. McAdoo to all Regional Directors, which we feel assured will sound the death knell of the piecework practice on all railroads if our members are truly sincere in their desire to abolish it for all time. We feel fully convinced that prompt and conclusive evidence will not be found wanting in clearly demonstrating this fact."

(Telegram)

"Washington, D. C., December 31, 1918.

"A. H. Smith, Regional Director, Eastern Region, New York, New York.

"C. H. Markham, Regional Director, Allegheny Region, Philadelphia, Pa.

"N. D. Maher, Regional Director, Pocahontas Region, Roanoke, Va.

"B. I. Winchell, Regional Director, Southern Region, Atlanta, Ga.

"Hale Holden, Regional Director, Central Western Region, Chicago, Ill.

"R. H. Aishton, Regional Director, Northwestern Region, Chicago, Ill.

"B. F. Bush, Regional Director, Southwestern Region, St. Louis, Mo.

"Evidence has been presented to me that the shop men throughout the country by a very large majority have expressed a preference to be paid on the hourly basis as provided in Supplement No. 4 to General Order No. 27, rather than the piece work basis which is in effect on many railroads. It is entirely agreeable to the Railroad Administration for the hourly basis, which it has established as reasonable, to be adopted when a substantial majority of the employees so desire. You are therefore directed to discontinue piece work system on any road in your region and substitute therefore the basis of payment provided in Supplement No. 4 to General Order No. 27, whenever a substantial majority of the employees desire such a change. It is important that this matter be handled without delay or hesitation and with a sympathetic purpose to carry out fully the spirit of these instructions. Please see that all officials concerned are properly and promptly advised so that they may act without delay as the occasions arise.

"(Signed) W. G. McADOO"

"With this information at hand there need be no further hesitation on the part of the members to get together in this important matter and make their position clear to the management.

"We have mailed a copy of this letter to each system federation secretary in advance of having incorporated in this circular, and would therefore request the secretaries to convey the information to the membership of all crafts at all points on the system to the end that prompt measures be taken to carry out the following instructions.

"It is our desire to canvass the situation thoroughly and determine without question of doubt where we stand on this question. We therefore request that arrangements be made to secure a complete vote of all shop crafts, **whether employed on piece work or hourly basis**, this vote to be compiled separately for each craft, and also giving the vote separately for men now working piece work from those working on the hourly basis.

"Name of craft.

"Number of employees.

"Number of piece workers voting to abolish.

"Number of hourly workers voting to abolish.

"The result of this vote is to be sent to the chairman of craft or general chairman of the System Federation, who will compile same and address communication to the Federal Manager of the Railroad, advising him of the expressed desires of the membership and requesting a conference for the federated committee, two copies of all correspondence exchanged on this subject to be furnished this department in order that we may handle direct with the administration.

"Inasmuch as it will necessarily take some time to adjust the forces to this change, you are requested to give the management at least 15 days' notice after the vote has been canvassed, the maximum time limit not to exceed thirty days.

"In conclusion we believe it will not be amiss to remind the officers and members that your prompt and decisive action on this question is of vital concern to the future of your organization. We have waited many years for this opportunity, let us not be found wanting. Do not be content with a majority vote, see that it is UNANIMOUS and that nothing is left undone on your part to make it so.

"This matter is now in your hands to be disposed of, it therefore, behooves every man to be up and doing, if we would successfully cope with the situation and effectively eradicate the last vestige of the accursed piece work practice from every railroad in this country.

"Wishing you every success and eagerly awaiting the results of your efforts in this matter.

"Faternally yours,

"B. M. JEWELL,

"Acting President.

"JOHN SCOTT

"Secretary-Treasurer."

"Since the issuance of telegram from Mr. McAdoo with regard to abolishing piece work, we have received advice from the System Federation officers on the Pennsylvania Railroad to the effect that the railroad officials were about to poll the system to determine whether the employees working piece work desired to have it retained or abolished. This matter has been taken up with the administration and instructions issued to the Regional Director advising that it is **not the intent or purpose for the railroad officials to take a poll** on this question. The telegram plainly states that when the request is made by a substantial majority of the employees to abolish the piecework practice it shall be abolished. We therefore request that this matter be handled in accordance with instructions contained in the above circular letter and that you permit of no intimidation on the part of any railroad official in deciding this question."

We believe that it is propaganda of this kind which influences men — sometimes against their own better judgment.

For the further information of the Board we will also read into the record at this time a copy of the report of the officers of the Railway Employees' Department of the American Federation of Labor to the officers and delegates to the Fifth Biennial Convention held at Kansas City, Mo., beginning Monday, April 12, 1920, in which appears under the heading "Abolition of Piece-Work", the following:

ABOLITION OF PIECE WORK

"On July 25th, 1918, Supplement No. 4 to General Order No. 27 was issued, granting to all employees, on an hourly basis, 13 cents additional to what had been granted under General Order No. 27.

"Section 8 of Article 4, Supplement 4, provided, 'Employees on piece work basis shall not receive less than the minimum rate per hour awarded to hourly workers, including time and one-half for overtime.'

"This section was construed by Board of Adjustment No. 2 to mean that the 13 cents granted to employees by Supplement No. 4 applied only to hourly rates and not to piece work earnings, and several rulings were made to the effect that piece workers could receive under Supplement No. 4 only a guarantee that their piece work earnings would not fall below the hourly rate established for employees under Supplement No. 4.

"This section was strenuously objected to by men on a piece work basis as being discrimination against this class of employees, and after several unsuccessful attempts had been made to change the attitude of the U. S. Railroad Administration on the matter, the question as to whether piece work ought to be continued or abolished under the circumstances was discussed in several system Federation meetings.

"As time wore on, resentment over the discrimination became more pronounced and Acting President Jewell suggested the advisability of securing a referendum vote of the piece workers as to whether they wished to have the piece work system abolished.

"The first move in this direction was at Altoona, Pa., when the employees of that system formed their System Federation in July, 1918, at the convention.

"It was decided to poll the system on the matter of continuing piece work.

"On other roads where piece work was in effect, the employees were showing strong evidence of dissatisfaction and being advised of the action taken by the Pennsylvania employees, soon followed in like manner to poll their respective systems, during the months of August and September, 1918. Early in October the vote was completed and showed a large majority in favor of the discontinuance of piece work.

"Notwithstanding this, every effort was still being made by the Railway Employees' Department to bring about a satisfactory adjustment of this matter that would give to the piece worker the same measure of awards as given to the hourly worker.

"A considerable exchange of correspondence was conducted with the Railway Administration with this end in view. We quote the following letters and telegrams of evidence of the sentiment that obtained and were used as further determined effort in this direction:

"Washington, D. C., Oct. 2, 1918.

"Director General of Railroads,

"I. C. C. Bldg.,

"Washington, D. C.

"Dear Mr. McAdoo:

"Supplementing my letter to you under date of the 25th ult, calling attention to the general unrest that exists with the members of all shop trades, particularly with the men who have been working piece work, due to the fact that the railway officials seem to be in possession of information other than what has been given out in the form of official circulars from your office, and are denying these men the award granted by Supplement No. 4 on the grounds that the piece work award is fully covered by General Order No. 27.

"We quote hereunder a telegram just received from Jacksonville, Fla., which expresses the sentiment of the members on a large number of roads where the piece work system is in effect, and the railroads official seem to be either handling the same through a mutual understanding with each other, or by instructions from your office of which we have not been advised.

Telegram

"B. M. Jewell,

"Jacksonville, Fla., Oct. 1, 1918.

"505 A. F. of L. Bldg.,

"Washington, D. C.

"Sentiment among four hundred piece workers on Seaboard that interpretations we have asked for are being held up until after the Liberty Loan drive ends, then unfavorable decision given, this will greatly curtail sales. Wire me some information suggestion at once. Men's patience about exhausted.

"(Signed) J. S. Wilds."

"We sincerely trust that you will appreciate the importance of promptly giving out the information and interpretations on all matters which have been passed upon by the Board, in order that the employees will have a general understanding on all questions under contention.

"Thanking you in anticipation of giving this matter your early and favorable consideration,

"Yours very truly,

"(Signed) B. M. JEWELL, Acting President,
"Railway Employees' Dept."

"Washington, D. C., Oct. 18, 1918

"Mr. W. G. McAdoo,

"Director General of Railroads,

"Interstate Commerce Bldg., Washington, D. C.

"Sir:

"We, the undersigned committee, representing the piece workers on the railroads of the Southeast, respectfully petition your reconsideration of that portion of Interpretation No. 3, to General Order No. 27, under Supplement No. 4, wherein it applies to the increase for piece workers.

"We believe that we realize your position in this matter and feel that it was your intention to deal fair with all railroad employees; we further feel that after hearing the case of the men we represent you will agree with us that the piece workers in our case have not received a fair consideration.

"We notice in almost all your awards, that you have given at least 13 cents per hour increase above the rates in effect, as of Dec. 31, 1917. This has been done in every class of skilled labor and their helpers; it has also been done for the colored help, but for the piece workers, many of them will not receive over 2½ cents per hour increase on their back pay.

"We realize that some of the piece workers in the past have earned more than the hourly rate men, but we feel that you must know that these men have done a certain amount of work to earn that amount and that their earnings are an absolute guarantee that they did that amount of work.

"The day workers have always received a neat sum of money in the way of back pay checks and the piece workers have been led to believe that they would receive the same increases per hour in the form of back pay that the hourly workers received, in accordance with your promise in General Order No. 27, page 15, which states as follows:

"(1) The piece worker shall receive for each hour worked the same increase per hour as is awarded to the hourly worker engaged in similar employment in the same shop."

"Many piece workers have bought liberty bonds freely on the strength of the above promise, with the result that they now have debts on their hands that will be hard for them to meet, if they do not receive the same consideration in the matter of back pay as the hourly rated men.

"We hope you will understand our position clearly and bear in mind that we fully realize the complications arising when the many different rates and systems of piece work are considered, but for your information, we wish to point out that under the Interpretation No. 3, to General Order No. 27, and Supplement No. 4, many of the piece workers on roads with a low hourly rate have had piece work rates established that enabled them to earn as much on piece work as the piece workers on other roads having a higher hourly rate and will receive in back pay as much, and in many cases more, as we are asking for the men we represent, and we do not think it fair that some piece workers should receive a large increase in addition to their earnings in back pay, while other piece workers earning the same amount on piece work, should receive practically no increases just because of the method of application.

"We claim that inasmuch as you have made it possible for all classes of employees in the shop crafts to receive back pay since January 1st, at the rate of 13 cents per hour, it is no more than fair to ask that piece workers should also have at least 12 cents per hour back pay or an increase of 13 cents per hour above their earnings as of December 31, 1917. And as stated before on most piece work roads the hourly rate for such employees was very low, while their hourly rates being increased by General Order No. 27, to the minimum rates established therein gives such employees the increase we are asking for, but on the roads we represent, while the piece workers did not earn any more than the piece workers on the roads having a low hourly rate, the fact that our hourly rates were much higher, will deny our piece workers the same increase that the piece workers on other roads, having a low hourly rate, will receive.

"We believe that it was your intention that all mechanics of the shop crafts should receive at least 13 cents per hour above their rate of December 31, 1917, in back pay, and we hereby request that you again consider this matter and give to the piece workers as favorable consideration as was given to other employees.

"We consider that the same increase per hour awarded the hourly workers, above the 45 cent minimum established for Carmen—the 55 cent minimum established for other mechanics and the 33 cent minimum established for helpers, which was 12 cents per hour, should be added to the earnings of piece workers in addition to their earnings of December 31, 1917. This would eliminate many differential rates that will still exist

under Interpretation No. 3, to General Order No. 27, under Supplement No. 4, and would establish a standard increase whereby the back pay for all piece workers may be figured.

"The piece workers in the southeast are a highly skilled class of specialists, and while their piece work earnings may compare invariably with the rate of the hourly workers and perhaps seem fair in the eyes of those not familiar with the details of their work, we wish to say it is only the years' of experience and expert training that enables these men, most of whom are on specialized operations, to earn their present compensation, while the average mechanic, not specialized on such work, could not begin to turn out the same amount of work in the same time.

"These men have had many invitations to change to higher paying positions in other industries, but have remained on the railroads with the expectation of receiving the same consideration in back pay that was conceded to the hourly workers. But if these men cannot get a reconsideration of this interpretation and they are forced to accept other offers of employment, we know that the railroads are going to suffer a material loss this winter, which we feel can be avoided.

"Again requesting your earnest personal consideration of this matter and a speedy reply, we are,

"Respectfully yours,

"(Signed) H. M. Fallon, 105 Brady St., Savannah, Ga.

"F. D. Laudemann, 426 MacBain Building, Roanoke, Va.

"B. H. Congleton, 116 Dinwiddie St., Portsmouth, Va.

"R. E. Falligant, 71 Sweat St., Waycross, Ga."

"Address reply to F. D. Laudemann, 426 MacBain Building, Roanoke, Va."

"On November 4th, Acting President Jewell followed up this letter to Director General McAdoo, with a letter pointing out that the piece workers had been unfairly dealt with and pointing out that due to this, many piece workers would refuse to continue the system after a given date and formally asked that the piece work system be abolished."

"507 A. F. of L. Bldg., Washington, D. C., Nov. 4, 1918

"Hon. Wm. G. McAdoo,

"Director General of Railroads,

"I. C. C. Building, City.

"Dear Mr. McAdoo:

"For the past several weeks, especially since the issuance of Interpretation No. 3 to General Order No. 27, which was the first positive statement made setting forth the amount of increase granted to the men employed on piece work, we have received and are still receiving many protests from these men, all being united in their contentions that they have not been fairly dealt with in the measure of increase granted in Supplement No. 4; we wish to state that these protests have not been inspired by any action on our part, but represent the unanimous sentiment of piece workers on all systems.

"Their contentions are based upon the interpretation of Sec. D of General Order No. 27, 'Rates of Wages of Railroad Employees paid upon a piece work basis', which is construed to mean that they were promised the same increase per hour above their actual earnings as granted to the hourly workers engaged upon similar work in the same shop.

"While many of the protests have been framed in the most positive language, demanding that their representatives take this question up at once and secure for them the fulfillment of that promise, we have hesitated in this matter to permit of an expression from all sections, the delay in this case is attributable to the fact that these men were loth to believe that they had been discriminated against to this extent, and still have full confidence that such an injustice will be rectified.

"Some time prior to the issuance of Supplement No. 4, and because of the insistent demands of the employees that steps be taken to eliminate the piece work system, we started a canvass of the employees on all systems for the purpose of securing an expression from all men so employed, with a view of presenting these facts before you. This poll is now nearing completion and we are in possession of sufficient data to state that fully 98 per cent of the men employed upon the piece work basis are favorable to having the same entirely abolished.

"The feeling against a continuance of the piece work system is best illustrated by the actions on the employees of several roads who have taken a positive stand that they will discontinue the practice on and after a stated time, notwithstanding the fact that they are aware that we are doing all possible to hasten the presentation of our appeal to you to have it abolished. Such a sentiment may develop into a rather serious situation and which we are doing our utmost to avoid, giving in each instance positive instructions to the members that no action must be taken which contemplates a stoppage of work or reduction of output.

"The piece work and bonus systems in effect on a number of roads have in all cases been inaugurated against the protests of the employees, and but for the fact that they were unable to get rid of it without involving a general strike, action on the matter would not have been long deferred; on the other hand, the railroad officials have, for reasons best known to themselves, not only refused to discontinue the piece work and bonus, but have sought to extend the practice wherever possible, although we have been convinced that the practice was not only costly to the railroads but demoralizing to the employees, and we feel assured that you are in possession of sufficient evidence in support of this contention.

"In view of the fact that most of these piece workers received much less than 13 cents increase over and above their hourly earnings in December, 1917, many of them receiving no increase whatever, and the further fact that the result of the poll taken by these employees settles without any question of doubt that they earnestly desire to have the piece work and bonus systems abolished, we are directed as the officers of the Railway Employees' Department of the A. F. of L. to appeal to you on behalf of the employees affected as per Supplement No. 4 to General Order No. 27 addendum and amendments thereto, to the end that these men who have been employed on the piece work basis, or are now so employed, be granted not less than 13 cents increase above their hourly earnings as shown by the pay roll records of December, 1917, this increase to apply on each hour worked and to be retroactive to January 1, 1918, and to continue in force until order has been issued by you abolishing the piece work and bonus systems.

"We are convinced that a compliance with this request will meet a long felt want, and contribute immeasurably towards the efficiency of the service and in securing the hearty support and co-operation of the employees.

"Hoping that this matter will receive your early and favorable consideration,

"Yours very truly,

"B. M. JEWELL,

"Acting President Railway Employees' Department,
"American Federation of Labor.

"Due to the excitement caused by the termination of the war on November 11th, the matter dragged until December 28th, when Acting President Jewell again wrote a strong letter to Director General McAdoo, calling his attention to his letter of November 4th. A few days thereafter the following order was issued by the Director General:

TELEGRAM

"Washington, D. C., Dec. 31, 1918

"A. H. Smith, Regional Director, Eastern Region, New York, N. Y.

"C. H. Markham, Regional Director, Allegheny Region, Philadelphia, Pa.

"N. D. Maher, Regional Director, Pocahontas Region, Roanoke, Va.

"B. L. Winchell, Regional Director, Southern Region, Atlanta, Ga.

"Hale Holden, Regional Director, Central Western Region, Chicago, Ill.

"R. H. Aishton, Regional Director, Northwestern Region, Chicago, Ill.

"B. F. Bush, Regional Director, Southwestern Region, St. Louis, Mo.

"Evidence has been presented to me that the shopmen throughout the country by a very large majority have expressed a preference to be paid on an hourly basis as provided in Supplement No. 4 to General Order No. 27, rather than the piece work basis which is in effect on many railroads. It is entirely agreeable to the railroad administration for the hourly basis, which it has established as reasonable, to be adopted when a substantial majority of the employees so desire.

"You are therefore directed to discontinue piece work system on any road in your region and substitute therefor the basis of payment provided in Supplement No. 4 to General Order No. 27, whenever a substantial majority of the employees desire such a change. It is important that this matter be handled without delay or hesitation and with a sympathetic purpose to carry out fully the spirit of these instructions. Please see that all officials concerned are properly and promptly advised so that they may act without delay as the occasions arise.

"W. G. McAdoo."

"Quite a few railroads had completed their canvass, but others were dragging behind and the telegram and letter of instructions were sent out from this Department on January 8, 1919, in Bulletin No. 87, notifying all delinquents to complete their canvass and submit their votes through the Department to the United States Railroad Administration. This was done in due time and every piece work road complied with the request, returning not only a substantial majority but a 98 per cent vote to discontinue piece work; in this manner piece work on railroads passed into history, at the earnest solicitation and vote of men who had been engaged on the piece work basis on their several roads for a number of years.

"One feature should not be overlooked in connection with this matter, and that is that only those directly involved on the piece work basis had a voice in the matter of its discontinuance, effectually discounting the theory that men employed on a piece work basis preferred it to a satisfactory hourly rating."

Our purpose in reading this correspondence into the record is to show that there was not very much the matter with piece-work up until the time the piece-workers were denied any recognition in the various wage orders which were issued by the Railroad Administration. We believe it shows conclusively that if they had been given recognition they would have been entirely satisfied to go along as piece-workers; that the influence that was exerted by the heads of the organizations to turn these men against piece-work has had a very strong and wide influence. We believe also that with proper consideration for the reward of effort at this time that the men would be more than satisfied in the majority of cases to return to the piece-work system.

DECISIONS COVERING RE-INSTATEMENT

The Chairman asked if we could furnish any information or a list of decisions of Railway Board or Adjustment No. 2, with reference to the reinstatement of employees.

We have prepared and submit herewith a list showing docket numbers which contain decisions rendered by Railway Board of Adjustment No. 2, the Divisions of Operation and Labor, and by the Director General, covering cases of reinstatement of employees.

Owing to the fact that there are 69 different dockets involved, we will not attempt to read them into the record, but the list which follows gives reference to the dockets in question.

LIST OF DECISIONS OF RAILWAY BOARD OF ADJUSTMENT NO. 2, DIVISIONS OF OPERATION AND LABOR, AND THE DIRECTOR GENERAL, HAVING REFERENCE TO REINSTATEMENT OF EMPLOYEES, AFFECTING DISCIPLINE

Divisions of Operation and Labor

New York Central R. R., Decision No. 26.

Director General's

Decision No. 44.

Decision No. 172.

Railway Board of Adjustment No. 2

SE-10	SE-810	1107	1378	1781
MR-381	SE-808	1119	1398	1808
AL-424	SE-827	1120	1459	1809
MY-510	912	1136	1470	1811
AY-624	963	1153	1550	1812
JY-644	1017	1189	1552	1813
JY-654	1029	1223	1560	1924
JY-665	1061	1235	1575	1929
JY-685	1062	1266	1611	1934
AG-699	1063	1268	1675	1946
AG-728	1072	1338	1680	1959
AG-743	1085	1350	1684	2027
SE-752	1103	1356	1722	2039
SE-782				

The foregoing list includes cases without regard to whether the claims of the employees were sustained or denied. Due to the course pursued during the Railroad Administration control, however, unless cases were completely disposed of by the railroads and the employees affected, they had to be submitted as controversies without regard to their merits. This produced a state of indifference on the part of the representatives of the employees as to whether the cases were settled or not and necessitated repeated conferences with the local committees and general committees on cases which ordinarily would never have been handled beyond the local officers resulting in a continuous state of unrest and agitation which could have no other effect than to lessen the respect of the employees for the officials and weaken the competency of the official in his ability to enforce discipline.

The effect upon the morale of the organization from this indifference to the authority of the local official needs no elaboration.

In connection with this matter which has been touched upon several times—as to why better discipline was not maintained, we would call attention to the fact that the Chicago, Milwaukee and St. Paul Railroad at Milwaukee introduced a special pneumatic riveter and one of their foremen, who was desirous of securing a greater output by the use of this tool, was attacked on December 9, 1920, by one of the boiler-makers and severely handled by practically the entire force. The men also threatened the supervising officers as well as the General Superintendent of Motive Power. This, together with some of the decisions which you will read by referring to the above list, will explain perhaps why it was not possible to maintain better discipline on the railroads during Federal control.

METHOD OF PAY—OUTSIDE INDUSTRIES

In order that the Board may have some idea as to the prevalence with which piece work is followed in outside analogous industries we telegraphed to a number of firms to develop information along this line. We endeavored to select in all cases only those firms which made repairs to cars or locomotives and not to the building of them. From the replies which were received, the following statement has been made:

STATEMENT SHOWING FIRMS WHO ADVISE THAT THE PIECE-WORK BASIS OF PAY IS IN EFFECT AT THEIR PLANTS WHERE CARS AND OR LOCOMOTIVES ARE REPAIRED

NAME OF FIRM	LOCATION	REMARKS
American Steel Foundries.....	Chicago, Ill.....	None.
American Car & Foundry Co.....	New York City.....	None.
Buffalo Steel Car Co.....	Buffalo, N. Y.....	None.
Haskell & Barker Car Co.....	Chicago, Ill.....	None.
Illinois Car Company.....	Urbana, Ohio.....	None.
Interstate Car Co.....	Indianapolis, Ind....	None.
Illinois Car & Mfg. Co.....	Hammond, Ind.....	None.
Laconia Car Co.....	Laconia, N. H.....	None.
Liberty Car & Equipment Co.....	Chicago, Ill.....	None.
Lima Locomotive Works.....	Lima, Ohio.....	None.
Merchants Dispatch Transit Co.....	E. Rochester, N. Y..	None.
Pressed Steel Car Co.....	New York City.....	None.
Ryan Car Co.....	Chicago, Ill.....	None.
Steel Car Co.....	Euclid, Ohio.....	None.
Streator Car Co.....	Chicago, Ill.....	None.
American Locomotive Co.....	New York City.....	(a) 85% to 90%.
Baldwin Locomotive Works.....	Philadelphia, Pa.....	(a) Practically all.
Bettendorf Co.....	Bettendorf, Iowa....	(a) Almost entirely.
Cambria Steel Co.....	Johnstown, Pa.....	(a) About 80%.
Chicago Steel Car Co.....	Harvey, Ill.....	(a) As far as possible.
Koppel Industrial Car Equipment Co.	Pittsburgh, Pa.....	(a) Almost exclusively.
Middleton Car Co.....	Middleton, Pa.....	(a) Virtually all.
Midvale Steel Co.....	Philadelphia, Pa.....	(a) About 80%.
Pullman Co.....	Pullman, Ill.....	(b) 90% of repair work at Pullman Works is on piece-work basis.
Standard Steel Car Co.....	Pittsburgh, Pa.....	(a) Practically all.
Westinghouse Air Brake Co.....	New York City.....	(a) Predominates.
Lenoir Car Works.....	Lenoir, Tenn.....	With minimum hourly wage guaranteed.
Ralston Steel Car Co.....	Columbus, Ohio.....	With guaranteed minimum 50 cents per hour, maximum 75 cents per hour. Average earnings about 20% more.

- (a) Reply does not indicate how the balance of the men engaged in this class of work are paid.
 (b) At the operating department repair shops, of which there are five, employees are paid upon hourly or daily basis. Reply does not indicate how the remaining 10% of the employees at the Pullman works are paid.

THE FOLLOWING FIRMS ADVISE THAT BOTH PIECE-WORK AND HOURLY BASIS OF PAY IS IN EFFECT AT THEIR PLANTS WHERE CARS AND OR LOCOMOTIVES ARE REPAIRED

NAME OF FIRM	LOCATION	REMARKS
Davenport Locomotive Works.....	Davenport, Iowa....	None.
Keith Railway Equipment Co.....	Chicago, Ill.....	None.
Manitowoc Shipbuilding Corp.....	Manitowoc, Wis.....	Intend eventually to put all operations on piece-work basis.
Rome Locomotive & Machine Works.	Rome, N. Y.....	Employees are transferred to piece-work basis as fast as rates can be established.

THE FOLLOWING FIRMS ADVISE THAT THE HOURLY BASIS OF PAY IS IN EFFECT
AT THEIR PLANTS WHERE CARS AND OR LOCOMOTIVES ARE REPAIRED

NAME OF FIRM	LOCATION	REMARKS
Pittsburgh Boiler & Machine Co....	Pittsburgh, Kan.....	Expect to go on piece-work basis as soon as volume of business justifies.
Pullman Company.....	(5 Operating Division repair shops).....	Employees at these five shops are paid either on the hourly or daily basis. At Pullman, Works, Pullman, Ill., however, 90% of employees are paid on piece-work basis.
Scullin Steel Co.....	St. Louis, Mo.....	In all departments except car and locomotive departments, piece-work basis is used. Car and locomotive departments too small to establish piece-work rates.
Southland Steamship Co.....	Savannah, Ga.....	Negotiating for piece-work basis, which will, undoubtedly be placed into effect.
Woodward Iron Co.....	Woodward, Ala.....	Our shop too small to establish piece-work basis.

THE FOLLOWING FIRMS ADVISE THAT THEY DO NOT REPAIR CARS OR LOCOMOTIVES AND GIVE THE INFORMATION AS SHOWN

NAME OF FIRM	LOCATION	REMARKS
American Brake Shoe & Foundry Co.	Chicago, Ill.....	Pay to a large extent on piece-work basis. Manufacture shoes and castings only.
Griffin Wheel Company.....	Chicago, Ill.....	Pay on piece-work basis. Work on new wheels only.
Rail Joint Company.....	New York, N. Y.....	Pay both on hourly and piece-work basis. Manufacture joints for rails.
Railway Steel Spring Co.....	New York, N. Y.....	Pay on piece-work basis.
Safety Car Heating & Lighting Co...	New York, N. Y.....	Pay both on hourly and piece-work basis. Furnish apparatus for lighting cars.
Standard Steel Works.....	Philadelphia, Pa.....	Pay on piece-work basis.
Westinghouse Air Brake Co.....	New York, N. Y.....	Piece-work predominates.

CONSTRUCTION PLACED ON RULES NOS. 153 AND 154

At the afternoon session of Thursday, the 13th—as the members of the Board will recall—a controversy arose over the construction of Rules 153 and 154 in the agreement covering the shop crafts (pp. 848).

We had stated to the Board that the carmen had insisted upon a construction of these rules which denied to the railroads the right to employ, for example, experienced and skilled carpenters or painters, unless such carpenters or painters had previously had experience as **CAR** carpenters or **CAR** painters; and we had also stated that it was the understanding of the managements that this position of the carmen had been sustained in a letter issued by Mr. Frank McManamy—which letter was read into the record and contained the following:

“* * * applicants for employment should be required to show that they had served an apprenticeship or had four years' practical experience in any or all of the work enumerated in Rule 154.”

The correctness of our statement both as to the position taken by the carmen's organization in this matter, and as to the meaning of Mr. McManamy's letter was challenged by Mr. Jewell, who held that —

- 1st: the carmen's organization had never stood for a construction of rules 153 and 154 that would prevent the employment of experienced painters—for example—even if they had had no experience at **CAR** painting; and
- 2nd: that Mr. McManamy's letter could not be construed as interpreting the rule to prohibit the employment of such men.

In stating to the Board the constructions or the interpretations placed upon the various rules in the National Agreement, we have only given interpretations susceptible of conclusive proof; and in conformity with this policy we now desire to read into the record, copies of certain correspondence to show—

- 1st: that recognized official spokesmen for the **Carmen's** organization and for the **Railway Employees Department of the American Federation of Labor** have insisted on a construction of Rules 153 and 154 which would prohibit the employment as **Carmen** of skilled journeymen painters unless these men had served an apprenticeship or had four years' actual experience in **CAR** work; and
- 2nd: that in support of this construction of Rules 153 and 154 the General Vice-President of the Carmen's organization cited the very letter from Mr. Frank McManamy which we read into the record of January 13 and which letter the representatives of the employees contended did not prohibit the employment of men as carmen who had not had actual experience at **CAR** work.

The correspondence, a copy of which we are about to read into the record, arose out of the following circumstances:

The Charlestown & Western Carolina Railway, needing car painters, had employed a journeyman painter who had served his painters' apprenticeship and had had four years' experience as a painter outside of railroad work. His employment was protested as a violation of Rule 153 of the National Agreement with the Federated Shop Crafts. The question was taken up with the General Chairman of Federation No. 60, at Augusta, Georgia, in May, 1920, and he expressed the view that the employment of the men in question was permissible under Rule No. 153. But in this position, the General Chairman was later overruled by higher authority in the organizations, and in reporting this fact to the management, he furnished it a copy of his letter and the replies thereto.

His letter setting out the issue involved and giving his own view is as follows:

“Dear Sir & Brother:

(Matter in question Rule 153.)

“Is it the intent of Rule 153 that the following mechanics must have four years' practical experience in railroad work or is it permissible to hire a mechanic with four years' experience other than railroad experience the following mechanics I refer to, Coach Carpenters, Painters, Upholsters.

“A painter made application for job who had four years' experience but had no railroad experience, his experience was outside experience and has served a apprentice Ship as a painter. Is this man eligible to employment in accordance with Rule 153.

“In the event that there was a vacancy in either of the above departments of the Car department, and a man makes application who has served an apprentice or who has had four years or more experience at his trade on other than railroad work is it permissible, accordance with this rule 153 to allow this man to go to work, or does the rule require that he must have all railroad experience at his trade.

"As General Chairman I was asked to give a ruling on this matter and expressed my opinion as follows, That the same rule should apply to a painter as applies to a Blacksmith, Machinist, Boilermaker, all we require is that he must serve an apprentice Ship or have four years experience at his trade, and this painter should be aloud to go to work as painter in as much as he has the required amount of experience.

"Would apprecate if you would advise me on this matter at a early date as possible as we have this painter held up waiting your reply.

"Thanking you in advance

"Fraternaly Yours,

"(Signed) R. G. Smith General Chairman, Fed. No. 60".

Under date of June 3, 1920, the General Chairman received a reply from the General Vice-President of the Brotherhood of Railway Carmen, reading as follows:

Office of General President
BROTHERHOOD RAILWAY CARMEN
of America

"Kansas City, Mo., June 3d, 1920.

"Mr. R. G. Smith,

"Gen'l Chairman, Federation No. 60,

"345 Walker St.,

"Augusta, Ga.

"Dear Sir and Brother:—

"Your letter of May 28th received and contents noted.

"In reply to the subject matter thereof relative to hiring coach carpenters, painters and upholsterers who have had four years' experience at their trade but not four years' experience in the Car Department, will say that we have numerous decisions rendered by Mr. Frank McManamy, Assistant Director, upon Rule 153 of the National Agreement which specifically states that men must have served an apprenticeship or had four years' practical experience in any or all of the work enumerated in Rule 154; therefore, your ruling as expressed in your opinion is contrary to the ruling made by Mr. Frank McManamy, Assistant Director.

"I am enclosing copy of ruling made by Mr. McManamy addressed to Mr. C. H. Ewing, Federal Manager, Central Railroad of New Jersey, for your information, and I trust that arrangements will be made to comply with the interpretations made on Rule 153 of the National Agreement:

"With best wishes, I remain,

"Yours fraternally

"(Signed) Frank Paquin,

"General Vice-President."

"EP:MB

"Enc."

The letter from Mr. McManamy enclosed in Vice-President Paquin's letter to General Chairman Smith is as follows:

February 19, 1920.

C of NJ-NA-153-3.

"Mr. C. H. Ewing, Federal Manager,

"Central Railroad of New Jersey,

"Philadelphia, Pa.

"Dear Sir:—

"Referring to your letter to Mr. W. S. Carter, Director, Division of Labor, in which you submitted among others a difference of opinion as to the application of Rule 153 of the National Agreement will advise that the rule, insofar as it relates to the question raised in your submission is clear as written, therefore, it is not deemed necessary to interpret the rule.

"Concerning the question raised in your submission as to whether or not it is permissible to hire a carpenter as a carman, will advise that applicants for employment should be required to show they had served an apprenticeship or had 4 years' practical experience in any or all of the work enumerated in Rule 154.

"Yours very truly,

"(Signed) Frank McManamy,

"Assistant Director."

A further letter of advice to General Chairman Smith in reply to his inquiry is as follows:

RAILWAY EMPLOYEES DEPARTMENT

"Washington, D. C., June 3, 1920.

"Chas. & West Carolina R. R.
National Agreement Rule 153
Employing house carpenters
and painters as carmen".
.....

"Mr. R. G. Smith,
"Augusta, Ga.

"Dear Sir and Brother:

"Replying to yours of May 28, in re. above subject.

"Rule 153, does not permit the employment of Carpenters and Painters, as Carmen, who have not served an apprenticeship, or have had four years' experience on any or all work outlined in Rule 154.

"You will note it is not permissible to employ painters you refer to.

"With best wishes, I am,

"Fraternally yours,

"(Signed) B. M. Jewell

"President Ry. E. Dept.

"A. F. of L."

"No. 2.

We respectfully submit that the foregoing correspondence conclusively sustains our statement that the Carmen had insistently held that Rules 153 and 154 prohibited the employment of experienced and skilled carpenters and painters for car repair work, unless such men had actually had experience at CAR work; and that they had with equal insistence held that this construction of Rules 153 and 154 was fully sustained by Mr. McManamy's letter.

During the controversy over this matter, on January 13th, Mr. Jewell made the following statement:

"Mr. Chairman, for the record only, I want to make just this statement in connection with the case that Dr. Neill cites as to his painter. Individual committeemen may attempt to announce the policy of an organization, and individual officers may, but there are in all organizations certain authorities who announce and define the policies of the organizations. And the case as to the policy of the Brotherhood of Railway Carmen as to their understanding of Rules 153 and 154—in September, the 28th, in the City of Chicago, the proper body was convened, and they announced their understanding of this rule, which we will submit for the record later. It is to the effect that a carpenter can be employed in compliance with this rule; it is to the effect that a painter such as would not have had previous experience in painting car equipment could be employed as a carman under this rule."

From this statement of Mr. Jewell, we understood that the Carmen's organization had **now**, **officially** taken the position that Rules 153 and 154 permitted the employment of experienced carpenters, and painters, as **Carmen** even though they had had no previous experience at **CAR** work. From the language in the concluding part of the statement that such a man as we have been discussing "could be employed as a carman under this rule", it would naturally be inferred that such a man employed "under this rule", held all the rights under the agreement that any man would hold who had been employed in conformity with the provisions of the agreement. There is no suggestion that such men could be employed only by the consent of the General Chairman on each individual property; and that when employed under such permission they were to be regarded as merely **temporary** employees to fill a gap; that they were to be given only a **conditional** seniority; and that they were to be promptly thrown out of their employment whenever **carmen** seeking employment came along and made application for their places. But from a reading of the official report of the action taken by the General Chairman of the Carmen's Organization at their meeting in Chicago, beginning September 28th, 1920, the above fairly describes the only status which the resolution of General Chairmen permits to experienced men, whose experience has **NOT** been on **CAR** work.

From the reading of this official report of the resolutions adopted by the General Chairmen, we can only understand that they reasserted the very same contention that General Vice President Paquin and Mr. Jewell had set out in their letters already quoted, and that they were still insistent that Rules 153 and 154 prohibited the employment as carmen of experienced carpenters and painters—for example—unless they had gained their experience at actual **CAR** work. And in support of this construction of these rules, the General Chairmen, in their resolution, cite a letter from Mr. McManamy, the text of which is identical with the text of the McManamy letter which was read into the record on January 13th.

The only understanding of the resolution of the General Chairmen that we can gather from reading it is that, after reasserting the position taken by Mr. Paquin and Mr. Jewell, on Rules 153 and 154, it provides that in the event that experienced carmen are not available, and that all apprentices and helpers promotable under the rules have been used up, the General Chairman on any individual property **MAY** agree with his management to the employment as carmen of experienced men who have gained their experience outside of Railroad service; but that the employment of such men is temporary, that they hold no seniority over four year carmen and must be displaced when four year carmen can be furnished.

The resolution, therefore, does not in any degree change the construction which the carmen had previously put upon Rules 153 and 154. It merely permits a General Chairman—if he chooses to do so—to make with his management, a special, **temporary**, agreement which for the time being **waives** or **suspends** what the carmen contend is the proper application of the rules in question.

We believe, therefore, that this resolution of the General Chairmen merely supports our earlier statement that the Carmen have insisted that under Rules 153 and 154 the railroads were prohibited from employing as Carmen, experienced craftsmen, unless such men had had four years experience at **CAR** work.

If such men are permitted to be hired in accordance with the resolution of the General Chairman, they are hired only conditionally and temporarily; and not as of **right** under the contract, but only by temporary waive of contract by a General Chairman.

STATEMENT MADE BY PRESIDENT B. M. JEWELL OF THE RAILWAY EMPLOYEES' DEPARTMENT
OF THE AMERICAN FEDERATION OF LABOR ON BEHALF OF ITS AFFILIATED ORGAN-
IZATIONS AT THE HEARING BEFORE THE UNITED STATES RAILROAD
LABOR BOARD, JANUARY 10, 1921

Judging from the press campaign, the railroads are about to ask this Board:

1. To abrogate the National Agreements entirely, or in large part, or at any rate in respect to rules deemed exceedingly important by the employees.

2. To attempt thereafter to secure either local, system or regional boards of adjustment instead of a single national board of adjustment, such as was in effect during the period of Government control, and as is desired by the employees represented by the Railway Employees' Department and its affiliated organizations.

The railroads have heralded widely their accomplishments since Government control was removed and their need for economy and their desire to serve their stockholders and the public. They have requested chambers of commerce and other business organizations to appeal to this Board for the establishment of local Boards of Adjustment. They have attempted to prejudice the whole case in the minds of the public, and the American Railway Executives have openly stated in Number 2, Volume I of their weekly paper called AMERICAN RAILROADS, that they have access to, and will use for the purposes of giving "information" to the Public, nearly ten thousand papers, including nearly two thousand daily newspapers, over seven thousand country weeklies, one hundred and forty-nine foreign language newspapers, thirty-five farm journals, one hundred and seventy-six labor papers, forty-two business journals, and eleven national weeklies. Prominent representatives of the railroad executives have said that they wanted to get close to the employees in the old fashioned way and improve the morale of their employees. They have accused the railway employees' organizations of an attempt to establish the closed union shop and the "one big union", and with threatening the public welfare.

There are two old maxims and principles recognized for hundreds of years by courts of equity, that "He who seeks equity must come into court with clean hands", and that "He who seeks equity should first do equity".

On behalf of the Railway Employees' Department and its constituent organizations, we charge that the railroads and those who control them have not done equity either in respect to the public interest, or in respect to the Government under whose authority this Board was created and is now acting, or in respect to the spirit of the Transportation Act, 1920 and the public purposes this Board was intended to serve, or in respect to the railroad employees.

We charge, and later on will substantiate our charges,

1. That the railroads are controlled by a group of twelve New York banks, trust companies and insurance companies, dominated by J. P. Morgan & Co., and that a group of only twenty-five men are the instruments of this and an even wider control.

2. That this same group of twelve financial institutions at the same time has interlocking directors with twenty of the leading railroad equipment companies.

3. That, during the past year, the railroads have sent out to such outside railroad equipment companies for repair on contract, over 617 locomotives and over 29,000 freight cars, and have made contracts for much more repair work of like order.

4. That the charges for such repairs in outside shops have been grossly excessive, averaging \$10,000 in excess of legitimate costs for the repair of each locomotive, and approximately \$500 in excess of legitimate costs for the repair of each freight car, and that these unwarranted profits have amounted to over \$25,000,000 during the past year, and if allowed to go on at the present rate, may amount to well over half a billion dollars a year.

5. That the money so taken from the railroads is still subject to the control of the financial interests above mentioned by virtue of their control of both the railroads and the equipment companies.

6. That these over-charges constitute a drain upon the treasury of the United States Government by reason of the Government guaranty established under the Transportation Act, 1920.

7. That the close control of both railroads and equipment companies by these financial interests gives ground for grave suspicion of a conspiracy to defraud the Government in violation of Section 37 of the Act of March 4th, 1909, which reads: "If two or more persons conspire either to commit any offense against the United States or to defraud the United States in any manner or for any purpose, and one or more of such parties do any act to effect the object of the conspiracy, each of the parties to such conspiracy shall be fined not more than \$10,000, or imprisonment not more than 2 years, or both", and in violation of Section 35 of said Act, as amended by the Act of October 23, 1918, which, in substance makes it a crime to present any false, fictitious or fraudulent claim against the United States Government for payment by it, and makes it a crime to knowingly and wilfully falsify or conceal or cover up any material fact in order to obtain the payment of such a claim; and if such a conspiracy has existed it renders many parties guilty by reason of Section 332 of said Act of March 4, 1909, which states that: "Whoever directly commits any act constituting an offense defined in any law of the United States, or aids, abets, counsels, commands, induces, or procures its commission, is a principal."

8. That these same railroads and financial interests within the last two weeks attempted to secure in Congress an amendment to the Clayton Anti-Trust Act, which would have made a large portion of this outside contract repair situation lawful, whereas, under the existing statutes, it is unlawful, after January 1, 1921, for any railroad to have dealings in supplies or have any contracts for construction or maintenance of any kind for more than \$50,000 in any one year with a corporation, firm or association in which said common carrier is interested, except upon competitive bidding in the open market; but this attempt to amend the Clayton Act was thwarted by the President's veto of the Amendment.

9. Furthermore, that those same interests are now, by Senate Bill 4576 introduced by Senator Frelinghuysen about December 8th, 1920, attempting again in effect to make lawful that which is or was intended to be made unlawful by Section 10 of the Clayton Act.

10. That since May, 1920, over 50,000 shop employees of the railroads, and many operating employees, have been laid off by the railroads at the same time that those railroads were sending cars and locomotives out for repair in outside contract shops, on the pretext that the men in the railroad shops were too inefficient or disloyal to get the work done as fast as needed, or that the system of time work, established by the National Agreement, was too expensive, and that the cars and locomotives were therefore being sent out for reasons of economy.

11. That these lay-offs of employees have created grave conditions of discontent and suffering at a time when there was much strain in the public mind and the public welfare required the best possible spirit and harmony and confidence in the mutual relations of Capital and Labor.

12. That this unemployment constitutes a menace to the public health, as admitted in a recent bulletin issued by the Metropolitan Life Insurance Company—itself a very large owner of railroad stocks and on whose Board of Directors sit many leading bankers, many of them associated with these same twelve New York financial institutions.

13. That this action of the railroads in farming out large portions of their car and locomotive repair work deprives the men who would have been doing such work in the railroad shops both of their right to the wages established by this Board and whatever working conditions and rules may be established by this Board or by any railroad adjustment board, and their right to an opportunity to have their grievances heard and settled in accordance with the terms of the Transportation Act.

14. That the managers of the railroad equipment companies are endeavoring to prevent trade union organizations of their employees and to destroy such organization as now exists.

15. That this is only one part, though a very important part, of the so-called "open shop" campaign now being waged by employers all over the country; and that the railroad managers and their controlling financial institutions have conspired to bring about this situation in order to destroy the employees' organizations, and at the same time the railroads and financial interests are in effect asking the United States Government and the general public to finance this campaign against the Unions to the amount of hundreds of millions of dollars a year in the same manner as has recently been disclosed by the investigations of the Lockwood Committee in the New York building situation although in that case it was the Morgan-Steel group, whereas in this case it is the Morgan-Railroad group; and this Morgan-Railroad group are exerting every power they possess to prejudice the American people against us and keep them ignorant of the true issues and of our side of the case.

16. That the interests controlled by the Morgan Combine are utterly unfit to administer the railroads in the people's interest by reason of the fact that the Combine is interested primarily in profits rather than public service, and furthermore will use the railroads largely as an instrument of war against organized labor, in order to establish the "closed shop"—closed against Union workers—and the resulting inhuman conditions of industrial autocracy.

17. That the Transportation Act has created an agency—the United States Railroad Labor Board—to which the employees must look for relief from their grievances. That this Transportation Act is admittedly a piece of experimental legislation and the employees represented by the Railway Employees' Department and its affiliated organizations did not favor its passage, but nevertheless they are law-abiding citizens and desire to observe both the letter and spirit of the law as requested by this Board in its announcement of December 17th, and they are willing to give the Act a fair and thorough trial. That no matter what legislation exists, the employees ask justice and the maintenance of healthy, adequate American standards of living and work. That the employees represented by the Railway Employees' Department and its affiliated organizations still have undiminished faith that the Government, this Board and the American public will deal justly with them when fully informed. But if this Board cannot afford prompt and adequate relief for this situation, there is grave danger that the employees will be persuaded out of their bitter experience, that the Government has not afforded them fair and adequate protection, and that the public does not especially care. If the faith of the employees in the United States Government or in the attentive interest and willingness of the American people to inquire into the true facts of this situation and to render them fair treatment—if this faith be lessened by ever so little, the service rendered the public will inevitably suffer.

18. By reason of the foregoing facts we charge the railroads and their controlling financial institutions with an insidious attack upon the public treasury and upon the welfare of the American people.

19. We charge that the railroads and their controlling financial institutions have violated the Transportation Act inasmuch as they have not, as above set forth, administered their trust "honestly, efficiently and economically", and furthermore their expenditures for maintenance of equipment have been unreasonable and contrary to the provisions of Section 422, sub-sections 2 and 3 of the Transportation Act.

20. We charge the railroads and their controlling financial institutions with a conspiracy to destroy, and therefore to violate, the National Agreements by means other than a public hearing and decision by this Board as prescribed in its Decision No. 2, and that they have further violated the National Agreements, inasmuch as the above-mentioned lay-offs were not in reality made in order to reduce expenses, but in order to break the Unions and the spirit of the men.

21. Since this Board, in Decision No. 2, expressly stated that the National Agreements were to continue in force until the determination of the question of their continuance should be settled by this Board, we charge the railroads with a violation of that part of Decision No. 2. Also certain individual carriers have flouted this Board and publicly announced their intention to reduce wages, in violation of Decision No. 2. We charge the railroads, in coming before the Board, now, with an attempt to secure the acquiescence and ratification of this Board to such breaches of the National Agreements and of Decision No. 2.

The Transportation Act states that it is the duty of this Board to investigate and study the relations between the carriers and their employees and "the respective privileges, rights and duties of carriers and employees" in order that "the public may be properly informed."

The Act further provides that this Board, in case it has reason to believe that any of its decisions have been violated may hold hearings and determine whether such violation has occurred and make public its decision.

We assert that, in view of the foregoing, the railroads had car and locomotive repair work which, in the public interest needed to be done; that in view of this fact, it was the right of the employees of these roads, to have the opportunity to render this public service and at the same time earn their living; and that the railroads owed them this opportunity to work and owed to the public the results of such work, done as economically as possible.

In view of the foregoing, we reiterate our charges that the railroads have not come before this Board with clean hands and have not done equity to the general public, to the Government or to the railroad employees.

We desire to point out that if the railroads are to be permitted thus to farm out their locomotive and car repair work, and thus arbitrarily deprive the employees represented by the Railway Employees' Department and its affiliated organizations, of their opportunity to work, and such protection as is afforded by the Transportation Act and by decisions of this Board thereunder, then the railroads may likewise farm out to outside private contracting companies the maintenance of their tracks and buildings and bridges, and possibly even other departments of their activities, and thereby mulct the American people still further and deprive the Maintenance-of-Way and other employees of similar rights. We seriously question whether, under the principles of public service law, the carriers, having assumed the maintenance of their equipment with their own shop facilities, may lawfully abandon such obligation without clear proof determined by public hearing before lawfully constituted bodies that such actions are in the interests of the public welfare both financially and in relation to the labor problems thereby created.

The Railway Employees' Department and its affiliated organizations, by virtue of the provisions of the Transportation Act and the foregoing matters, request this Board that before holding hearings on the National Agreements, it investigate the above recited situation of unemployment, its causes and all circumstances, both those set forth above and any others that may later be brought out, and give full publicity to its findings so that "the public may be properly informed". And that it investigate and determine whether the railroads and their controlling interests have done equity to the employees and the public interest in this situation and whether the railroads and their controlling interests have come before this Board with clean hands, so as to afford them a standing before this Board in respect to their presumed requests to have the National Agreements abrogated; and if the Board finds that the Railroads have not done equity and do not come before it with clean hands that it require them to correct this situation before hearings are begun on the National Agreements, and that meantime it order the complete and careful observance of all the rules of the National Agreements. We also request that the Board take prompt and effective action to relieve the existing unemployment so created, and afford protection to the employees in respect to their security of livelihood, consequent standard of living and freedom to join, remain in and act effectively through the several labor organizations which they have created. And if the Board should believe that certain of the points involved in this matter lie more fully within the jurisdiction of the Interstate Commerce Commission than within the jurisdiction of this Board, we then petition this Board to request the Interstate Commerce Commission to hold public hearings on such points, and that then this Board consider the findings of the Interstate Commerce Commission on such matters as to their bearing on its own decision on the situation.

Because of the dangers created by the above facts we also request the Board to take jurisdiction over the companies building or repairing railroad equipment.

And if the Board should decide that it has no power to take effective action in this matter for the relief of the employees, or that it has no jurisdiction over such companies building or repairing railroad equipment, we desire to point out the great injustice of this situation and we petition the Board to request the Interstate Commerce Commission to forbid the farming out of railroad equipment repair work to such outside companies even more rigidly than it is now forbidden by Section 10 of the Clayton Act, for the protection of both the railroad employees and of the American public.

Our substantiation of the foregoing charges and our discussion of the National Agreement and of the necessity for its continuance we will take up after the railroads have made their presentation.

No conferences have been held between the duly authorized committee of the Railway Employees' Department of the American Federation of Labor and the committee representing Railroad Managements of which Mr. E. T. Whiter is Chairman, at which we were advised as to the desire of the Management to amend specific rules, and we do not know what will be the presentation of Mr. Whiter and his committee. Therefore, until such time as Mr. Whiter and his committee have presented to the Board their views and we have an opportunity to review same and prepare replies, the Railway Employees Department, in behalf of the employees whom it represents, may be understood as resting their case with the Board with the understanding that after management has presented its case, we will then have an opportunity to present further arguments.

Presented on behalf of

(Signed) J. F. ANDERSON, Vice-President,
International Association of Machinists.

(Signed) JAS. P. NOONAN, International President,
International Brotherhood of Electrical
Workers.

(Signed) J. A. FRANKLIN, International President,
International Brotherhood of Boilermakers,
Iron Ship Builders and Helpers of America.

(Signed) MARTIN F. RYAN, General President,
Brotherhood Railway Carmen of America.

(Signed) EDW. TEGTMEYER, Vice-President,
International Brotherhood of Blacksmiths,
Drop Forgers & Helpers of America.

(Signed) E. H. FITZGERALD, Grand President,
Brotherhood of Railway & Steamship Clerks,
Freight Handlers, Express & Station Em-
ployes.

(Signed) JAS. M. BURNS, Representing
Amalgamated Sheet Metal Workers' Inter-
national Alliance.

(Signed) S. E. HEBERLING, International President,
Switchmen's Union of North America.

Presented by

(Signed) B. M. JEWELL, President,
Railway Employees' Department, American
Federation of Labor.

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STATEMENT MADE BY MR. E. T. WHITER, CHAIRMAN, ASSOCIATION OF RAILWAY EXECUTIVES, CON-
FERENCE COMMITTEE OF MANAGERS, BEFORE THE UNITED STATES RAILROAD LABOR BOARD
ON MONDAY, JANUARY 10, 1921, IN REPLY TO STATEMENT MADE BEFORE THAT BOARD
ON THE SAME DATE BY MR. B. M. JEWELL, PRESIDENT, RAILWAY EMPLOYEES'
DEPARTMENT OF THE AMERICAN FEDERATION OF LABOR

Before starting on our regular opening statement, we desire to make a preliminary statement.

The statement made on behalf of the Labor Organizations this morning consists of a series of general charges which their spokesman says they will not attempt to substantiate at this time, and which have no relevancy whatever to the continuance of National Agreements or any other questions now pending before the Board.

The apparent purpose of the labor leaders in introducing such a statement is to divert public attention from the consideration of the matters actually in controversy and under consideration by the Railroad Labor Board. The very fact that they are trying in this manner to divert public attention from the matters actually in controversy leads to the conclusion that they have no confidence in the real merits of their case.

To us it is a matter of profound regret that, in a hearing so important, there should be interjected a series of charges admittedly unsubstantiated, and that coupled with the insidious intimation that unless this Board follow a course satisfactory to the employees "the service rendered the public will inevitably suffer."

But the statement read into the record this morning will not divert us from the presentation, in an orderly manner, of the real questions long pending before the Board; and such presentation we will now proceed to make.

STATEMENT MADE BY GENERAL W. W. ATTERBURY, CHAIRMAN OF THE LABOR COMMITTEE
OF THE ASSOCIATION OF RAILWAY EXECUTIVES TO THE UNITED STATES RAILROAD
LABOR BOARD AT HEARING HELD BEFORE THAT BOARD ON JANUARY 31, 1921

I have come under a strong sense of duty to lay before you an acute situation. Unless this Board takes prompt action many of the railways of the United States may be forced into insolvency.

Many railroads are not now earning, and with present operating costs and traffic have no prospect of earning, even their bare operating expenses, leaving them without any net return and unable to meet their fixed charges.

The emergency presented can be met either by an advance in freight and passenger rates, or by a reduction in operating expenses.

With declining prices and wages in industry and agriculture the country demands that the solvency of the railroads must be assured by a reduction in operating expenses, and not by a further advance of rates.

The National Agreements, rules and working conditions forced on the railroads as war measures cause gross waste and inefficiency.

I estimate that the elimination of this waste would reduce railway operating expenses at least \$300,000,000.00 per annum. It would be far better to save this sum by restoring conditions of efficient and economical operation than to reduce wages.

We believe that as the wages of railroad employees were the last to go up, they should also be the last to come down, but we do insist that for an ample wage, an honest day's work shall be given.

The public has the right to insist that this must be obtained.

The public has also the right to expect that the railway executives, with the co-operation of the regulatory bodies and the employees, will as rapidly as possible reduce the cost of railway operation so as to eventually insure a reduction in rates. Ultimately a readjustment of basic wages will be required. Meantime it is to the interests of all concerned, including labor, that the rules and working conditions shall be made conducive to the highest efficiency in output per man.

Mr. Whiter and his Committee have far from exhausted their evidence on this subject and if required to, will of course proceed. But it will be dangerous to continue the consideration of these agreements rule by rule. If the Board follows its present procedure, months will elapse before it can render its decision.

The urgent financial necessities of the railroads will not permit them to wait any such length of time for relief. Long before the present detailed hearings are concluded the Board will be flooded by appeals from individual railroads from all parts of the country for reductions in basic wages. It will be impossible for the Board to hear and dispose of these separate cases upon their merits in time to avoid numerous receiverships and the possibility of a National panic.

When wages have been too low, the harm done has been offset by retroactive increases. Losses of railway net operating income are irreparable. You cannot make retroactive tomorrow the savings that should have been made today.

Your Board cannot possibly write the rules and working conditions of every railroad in this country and adjust them equitably to varying geographical, operating and social conditions.

It rests entirely with your Board to determine within the next few days whether this whole situation shall drift into chaos, and orderly procedure become impossible except at the price of railroad bankruptcy, financial shock and still wider unemployment.

The Labor Board can prevent this catastrophe by declaring that the National Agreements, rules and working conditions coming over from the war period are terminated at once; that the question of reasonable and economical rules and working conditions shall be remanded to negotiation between each carrier and its own employees; and that as the basis for such negotiations, the agreements, rules and working conditions in effect on each railroad as of December 31, 1917, shall be re-established.

If the Board will do this, the Labor Committee of the Association of Railway Executives will urge upon every railroad company a party to Decision No. 2, that no proposal for the reduction of basic wages shall be made within the next succeeding 90 days. This will afford an opportunity to gauge the economies which can be accomplished through more efficient rules and working conditions.

It also will afford additional time in which to realize the benefits of a further decline in the cost of living.

The course which we are recommending is not only imperative but equitable.

When President Wilson issued his proclamation on December 26, 1917, assuming government control of the railroads, he said:

"Investors in railway securities may rest assured that their rights and interests will be as scrupulously looked after as they would be by the directors of the several railway systems."

In his address to Congress on January 4, 1918, President Wilson said:

"The common administration will be carried on with as little disturbance of the present operating organizations and personnel of the railways as possible."

The War Labor Board declared that the war period was an interognum to be used by neither the employer or the employee for the purpose of bettering or impairing the position of either.

To perpetuate as the normal rules and working conditions on the railroads, the extraordinary provisions of the war period is a distinct violation of all the foregoing promises. The war has now been over more than two years. The time has come when, if the railways are to be efficiently and economically operated, in accordance with the provisions of the Transportation Act, normal conditions of employment and of working conditions must be restored and increased efficiency of labor be secured.

If your Board adopts the foregoing suggestion, there is but one aspect of the wage question on which we ask immediate action. The basic rates now established by your Board for unskilled labor are from 39 to 48½ cents per hour. Since your decision was made on July 20, 1920, these rates have fallen materially throughout the United States. For your Board to require the railroads to continue to pay wages to unskilled labor far in excess of those paid by other industries is unfair to those industries, and bears with grave injustice upon the great body of our farmers. Within the next month or six weeks practically all of the railways of the country must recruit their unskilled labor forces. It is desirable that a large part of the work for which these men are necessary be concentrated in periods when the same labor is not needed in harvesting the crops. We therefore ask the immediate permission of your Board to pay for unskilled labor not less than the prevailing rate of wages in the various territories served by any carrier, in accordance with Section 307 of the Transportation Act.

I regret the urgency of the foregoing presentation. Its informality does not indicate any intention on the part of the railway companies to violate the principle of orderly procedure in such matters. But to sit by and see this situation develop without bringing it promptly and strongly to the attention of this Board would be to sacrifice both the spirit and the letter of the Transportation Act.

In our judgment, unless the proposed measures be taken promptly by your Board, a situation will shortly develop in which orderly procedure will become entirely impossible. Your Board will be faced with the gravest responsibilities, which it could not possibly successfully perform, in a condition of National confusion, if not of chaos.

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STATEMENT MADE BY MR. J. G. LUHRSEN, PRESIDENT OF THE AMERICAN TRAIN DISPATCHERS' ASSOCIATION, BEFORE THE UNITED STATES RAILROAD LABOR BOARD
AT HEARING HELD BEFORE THAT BOARD ON JANUARY 31, 1921

Mr. Chairman and Gentlemen of the Board:

As the representative of the American Train Dispatchers Association, I want to enter formal protest against the Labor Board granting the request made by General W. W. Atterbury, representing the Labor Executive Committee of the carriers.

(1st). Because of the fact that the Transportation Act will be violated by permitting the carriers to bring before this Board mere theories, without having followed the requirements of the law governing the manner of bringing matters before the Board, and by giving these theories priority consideration as against the dispute now properly before the Board and in process of hearing, and which has taken months to bring before the Board in the orderly manner prescribed by the law as set forth in the Transportation Act.

(2nd). Because the carriers have already presented argument which without proper rebuttal by the employees can not help but leave an impression upon this Board detrimental to the case of the employees.

(3rd). Because the statement made by the carriers that unless immediate action is taken by this Board in line with their request the railroads will be forced into national bankruptcy is deceptive and fictitious.

(4th). Because many of the arguments already presented by the carriers to the effect that national agreements are forcing the carriers to compensate employees without obtaining from them effective performance cover conditions forced upon the employees through deceptive and inefficient operation which the employees cannot combat nor control, as will be disclosed by the continuation of the present hearings.

(5th). Because close analysis of the operating records of the carriers, and particularly train sheets, will disclose operating inefficiency which, if rectified, will produce a saving greatly exceeding the waste of \$300,000,000.00 alleged by General Atterbury as the result of national agreements.

(6th). Because, prior to December 31, 1917, train dispatchers had no agreements, rules or working conditions except those arbitrarily imposed by their superior officers, and granting of the request of the carriers will mean, in respect to train dispatchers, that they will have no agreements, rules and working conditions to use as a basis for conducting negotiations.

(7th). Because the representations of the carriers that they desire to reopen negotiations concerning agreements, rules and working conditions and to reach agreements with their own employees concerning such matters are false, misleading and wholly without merit, in support of which we charge that the Pennsylvania Railroad, which General Atterbury directly represents, not only refused during Federal control to comply with Railroad Administration instructions with reference to treatment of dispatchers, but has since completely ignored all requests of the dispatchers for conferences through which might be obtained mutually satisfactory understandings. We further charge that General Atterbury's statement "that mutual agreements can be obtained on individual railroads" is absolutely false insofar as the train dispatchers are concerned upon his own system.

We charge that if this Board is flooded with requests by individual roads for immediate reduction in wages, as predicted or threatened by General Atterbury, such action will be concerted propaganda tending to interfere with the orderly procedure of this Board in consideration of the matter now properly before it, and the individual railroads will be acting under instructions to bring into existence a chaotic condition.

STATEMENT MADE TO THE UNITED STATES RAILROAD LABOR BOARD BY MR. E. T. WHITER,
CHAIRMAN, ASSOCIATION OF RAILWAY EXECUTIVES, CONFERENCE COMMITTEE OF
MANAGERS AT HEARING BEFORE THAT BOARD ON FEBRUARY 3, 1921

General W. W. Atterbury, Vice-President, Pennsylvania Railroad Company, and Chairman of the Labor Committee of the Association of Railway Executives, authorizes the following statement:

"When I went before the United States Railroad Labor Board on Monday morning, January 31st, there was an emergency requiring prompt and energetic action by the Board. I said:

'Many railroads are not now earning, and with present operating costs and traffic, have no prospect of earning even their bare operating expenses, leaving them without any net return and unable to meet their fixed charges.'

"Since I made the above statement I have been advised by Mr. Thomas DeWitt Cuyler, Chairman of the Association of Railway Executives, of the result of a canvass of the operating results of most of the railways of the country for the month of January. It is understood, of course, that it is impossible to close the actual accounts so soon after the end of the month, and that the results of the latter part, therefore, have to be estimated.

"This canvass shows that thirty-six railroads estimate that they failed to earn even their operating expenses for the month of January. Among these roads are: The Atlanta, Birmingham & Atlantic Railway; Buffalo & Susquehanna Railroad; Central of Georgia Railway; Detroit, Toledo & Ironton Railroad; Erie Railroad; Great Northern Railway; Gulf & Ship Island Railroad; Hocking Valley Railway; Long Island Railroad; Minneapolis, St. Paul & Sault Ste. Marie Railway; Maine Central Railroad; New York, New Haven & Hartford Railroad; Northern Pacific Railway; Philadelphia & Reading Railway.

"While earning their operating expenses, twenty-eight additional roads estimate that they did not earn their taxes and fixed charges during the month of January. Among these are: The Arizona Eastern Railroad; Atlantic Coast Line; Baltimore & Ohio Railroad; Boston & Maine Railroad; Chicago, Indianapolis & Louisville Railway; Chicago, Milwaukee & St. Paul Railway; Chicago, Rock Island & Pacific Railway; Lehigh Valley Railroad; Minneapolis & St. Louis Railroad; Missouri Pacific Railroad; Norfolk Southern Railroad; Pennsylvania Railroad; Pere Marquette Railway; Western Maryland Railway, and the Wheeling & Lake Erie Railway.

"Under present traffic and operating conditions these were the results despite the fact that the sixty-four companies referred to—of which only a partial list is given above—have, in the aggregate, decreased their labor cost of operation by laying off approximately 200,000 employees since September 1, 1920.

"These companies have a total main line mileage of more than 100,000 miles and constitute approximately 40 per cent of the railroad mileage of the country.

"In addition, there are other companies of well established earning power under normal conditions which expect their earnings for January to exceed their fixed charges by only a narrow margin.

"The railroads cannot believe that the United States Railroad Labor Board, which by its wage decision of July 20, 1920, has kept these National agreements, rules and working conditions in existence since September 1st, can or will deny to the railroads and to the public the relief requested.

"Included in the above figures of lay-offs and mileage are a number of companies which I have not specifically mentioned, which in previous years have also had difficulty in approximating a fair earning power. In a developing country like the United States there always has been a number of such railways. Their economic and traffic conditions have not justified the payment of trunk line wages nor the observance of trunk line conditions of work, even when these have been far more reasonable and less costly than at present. Nevertheless, the augmentation of their difficulty only goes to illustrate that it is economically unsound, and can only be fraught with disaster, to attempt to compel all of the railroads of the country, regardless of their differing conditions, to meet precisely the same wages and the same working arrangements.

"Our application to terminate immediately the wartime working arrangements which do apply alike, regardless of these differing conditions, is simply the attempt to secure Government sanction for the necessary process whereby these railroads can again fit their expenses and operating rules to the conditions of the territories whose public servants they are.

"All the suggestions for laying this matter before Congress or some other public body, with the implication that if not so done the condition is not really serious, will, I am sure, mislead no one.

"Congress has passed the Transportation Act. The Interstate Commerce Commission, pursuant to that Act, has fixed rates. Nevertheless, the railroads cannot achieve their earning power under continuing abnormal and inflated operating expenses, of which the labor cost is the principal item. Hence, in accordance with the letter and spirit of the Transportation Act, the railroads are before the one body which ought to grant them relief—namely, the United States Railroad Labor Board.

"For, as I said on Monday, at a time when wages and prices are falling in the field of agriculture and in the other industries of the country, the public has a right to demand that the solvency of the railroads shall be assured by economy in operation, and not by any further general increase in rates.

"The fight which the railroads are now making is not only their own fight, but the fight of the farmer, the consumer, and of the working man and employer in every industry of the country."

**BROTHERHOOD OF RAILROAD TRAINMEN,
ORDER OF RAILWAY CONDUCTORS,
BROTHERHOOD OF LOCOMOTIVE ENGINEERS,
BROTHERHOOD OF LOCOMOTIVE FIREMEN AND ENGINEMEN,
SWITCHMEN'S UNION OF NORTH AMERICA.**

The following correspondence in connection with the requests of the above listed organizations for changes in rules and working conditions is shown as information and is self-explanatory.

(COPY)

UNITED STATES RAILROAD LABOR BOARD

Chicago, Illinois, December 18, 1920.

Dear Sir:

This Board has set Monday, January 10, 1921, as the date of the hearing on that portion of the dispute between certain carriers and your organization submitted to this Board on April 15, 1920, which was not decided in Decision No. 2. The said portion of that dispute relates to rules and working conditions.

The Board understands that your organization submitted its presentation as to rules and working conditions as a part of its submission on said dispute. Inasmuch, however, as several months have elapsed since such submission, it may be that your organization desires to supplement, amend, or modify the submission then made. If so, your organization is at liberty to do so at the time of the hearing, January 10, 1921.

In order that an arrangement may be arrived at with regard to the order as between the several organizations and the representatives of the carriers of their presentation to the Board of this matter, it is suggested that you confer with the chief executives of the other organizations parties to the dispute and with Mr. E. T. Whiter, the representative of the carriers parties to the dispute. It is requested that when an arrangement as to procedure is agreed to that you advise this Board of the arrangement.

A copy of the Board's letter of this date to Mr. E. T. Whiter, representative of the carriers, is attached.

Yours very truly,

(Signed) C. P. CARRITHERS,
Secretary.

The foregoing letter was sent to all of the following organizations under date of December 18, 1920.

Mr. B. M. Jewell, President,
Railway Employees' Dept., A. F. of L.,
4750 Broadway, Chicago, Ill.

Mr. S. E. Heberling, President,
Switchmen's Union of North America,
39 North Street, Buffalo, N. Y.

Mr. M. F. Ryan, President,
Brotherhood of Railway Carmen of America,
503 Hall Building, Kansas City, Mo.

Mr. W. S. Carter, President,
Brotherhood of L. F. & E.,
901 Guardian Bldg., Cleveland, Ohio.

Mr. J. A. Franklin, President,
Int. Bro. of Boilermakers, Iron Ship Builders &
Helpers of America,
315 Wyandotte Bldg., Kansas City, Mo.

Mr. John H. Pruett,
Masters, Mates & Pilots of America,
423-49th St., Brooklyn, New York.

Mr. W. G. Lee, President,
Brotherhood of Railroad Trainmen,
American Trust Bldg., Cleveland, Ohio.

Mr. J. J. Hynes, President,
Sheet Metal Workers Int. Alliance,
122 So. Ashland Bldg., Chicago, Ill.

Mr. Timothy Healy, President,
Bro. Stationary Firemen & Oilers,
211 East 45th Street, New York, N. Y.

Mr. J. G. Luhrsen, President,
American Train Dispatchers Assn.,
300 Mallers Bldg., Chicago, Ill.

Mr. E. J. Manion, President,
Order of Railroad Telegraphers,
Missouri State Life Bldg., St. Louis, Mo.

Mr. W. R. Johnston, President,
International Association of Machinists,
Machinists Bldg., Washington, D. C.

Mr. Jas. P. Noonan, President,
Int. Bro. of Electrical Workers,
Machinists Bldg., Washington, D. C.

Mr. L. E. Sheppard, President,
Order of Railway Conductors,
Masonic Temple, Cedar Rapids, Iowa.

Mr. J. W. Kline, President,
Int. Bro. of Blacksmiths, Drop Forgers & Helpers,
608 So. Dearborn St., Chicago, Ill.

Mr. E. H. Fitzgerald, President,
Bro. of Railway & S. S. Clerks, Frt. Handlers,
Express and Station Employees,
Second Nat. Bank, Cincinnati, Ohio.

Mr. W. S. Stone, President,
Bro. of Locomotive Engineers,
B. of L. E. Bldg., Cleveland, Ohio.

Mr. D. W. Helt, President,
Bro. Railway Signalmen of America,
Machinists Bldg., Washington, D. C.

Mr. E. P. Grable, President,
United Bro. Maintenance of Way Employees,
27 Putnam Avenue, Detroit, Mich.

Mr. W. V. O'Neil, President,
Int. Assoc. of R. R. Supervisors of Mechanics,
100 Arcade Bldg., St. Louis, Mo.

(COPY)

UNITED STATES RAILROAD LABOR BOARD

Mr. E. T. Whiter,
Asst. to Vice-President, Pennsylvania R. R.,
Broad Street Station,
Philadelphia, Pa.

Chicago, Illinois, December 18, 1920.

Dear Sir:

This Board has set Monday, January 10, 1921, as the date of the hearing of that portion of the dispute between the carriers represented by you and the organizations of railroad employees, submitted to this Board on April 15, 1920, which was not decided in Decision No. 2. The said portion of that dispute relates to rules and working conditions.

That an arrangement may be arrived at in regard to order as between the several organizations, of their presentation to the Board of this matter, and with regard to the order of presentation by the representatives of the carriers, it is suggested that you confer with the chief executives of the said organizations of employees parties to the dispute. It is requested that when arrangement as to procedure is agreed to that you advise the Board of the arrangement.

Copy of this letter has been transmitted to the chief executives of the said organizations.

Yours very truly,

(Signed) C. P. CARRITHERS,
Secretary.

13-031.

(COPY)

Mr. C. P. Carrithers, Secretary,
United States Railroad Labor Board,
Kesner Building,
Chicago, Illinois.

Room 1864 Transportation Bldg.
Chicago, Illinois, December 28, 1920.

Dear Sir:

This will acknowledge receipt of your letter of December 18th, which advises that the hearing of that portion of the dispute between the carriers represented by the Committee of which I am Chairman and the organizations of railway employees, which was not decided in Decision No. 2, has been set for hearing on Monday, January 10th.

In your letter it is suggested that I confer with the Chief Executives of the several organizations of employees, parties to the dispute, in regard to order as between the several organizations, of their presentation to the Board, and with regard to the order of presentation by the representatives of the carriers. Concerning this suggestion, I submit that in regard to order, as between the several organizations, of their presentation to the Board, this should be left to the organizations for their determination, and that the Committee of which I am Chairman should use its judgment and discretion as to the order in which we make our presentation concerning the proposals of the several organizations. Accordingly, I am sending copy hereof to the several Chief Executives of said organizations.

Our Committee reconvenes in Chicago on January 4th, 1921, at which time I will take up with the Committee the order in which we will present our views and will advise you of the conclusion of the Committee.

Yours truly,

(Signed) E. T. WHITER,
Chairman.

Association of Railway Executives,
Conference Committee of Managers.

(Copy of this letter sent to persons as shown on list next attached.)

Mr. B. M. Jewell, President, Railway Employees' Dept., A. F. of L., 4750 Broadway, Chicago, Ill.	Mr. E. J. Manion, President, Order of Railroad Telegraphers, Missouri State Life Bldg., St. Louis, Mo.
Mr. S. E. Heberling, President, Switchmen's Union of North America, 39 North Street, Buffalo, N. Y.	Mr. W. R. Johnston, President, International Association of Machinists, Machinists Bldg., Washington, D. C.
Mr. M. F. Ryan, President, Brotherhood of Railway Carmen of America, 503 Hall Building, Kansas City, Mo.	Mr. Jas. P. Noonan, President, Int. Bro. of Electrical Workers, Machinists Bldg., Washington, D. C.
Mr. W. S. Carter, President, Brotherhood of L. F. & E., 901 Guardian Bldg., Cleveland, Ohio.	Mr. L. E. Sheppard, President, Order of Railway Conductors, Masonic Temple, Cedar Rapids, Iowa.
Mr. J. A. Franklin, President, Int. Bro. of Boilermakers, Iron Ship Builders & Helpers of America, 315 Wyandotte Bldg., Kansas City, Mo.	Mr. J. W. Kline, President, Int. Bro. of Blacksmiths, Drop Forgers & Helpers, 608 So. Dearborn St., Chicago, Ill.
Mr. John H. Pruett, Masters, Mates & Pilots of America, 423-49th St., Brooklyn, New York.	Mr. E. H. Fitzgerald, President, Bro. of Railway & S. S. Clerks, Frt. Handlers, Express and Station Employees, Second Nat. Bank, Cincinnati, Ohio.
Mr. W. G. Lee, President, Brotherhood of Railroad Trainmen, American Trust Bldg., Cleveland, Ohio.	Mr. W. S. Stone, President, Bro. of Locomotive Engineers, B. of L. E. Bldg., Cleveland, Ohio.
Mr. J. J. Hynes, President, Sheet Metal Workers Int. Alliance, 122 So. Ashland Bldg., Chicago, Ill.	Mr. D. W. Helt, President, Bro. Railway Signalmen of America, Machinists Bldg., Washington, D. C.
Mr. Timothy Healy, President, Bro. Stationary Firemen & Oilers, 211 East 45th Street, New York, N. Y.	Mr. E. P. Grable, President, United Bro. Maintenance of Way Employees, 27 Putnam Avenue, Detroit, Mich.
Mr. J. G. Luhrsen, President, American Train Dispatchers Assn., 300 Mallers Bldg., Chicago, Ill.	Mr. W. V. O'Neil, President, Int. Assoc. of R. R. Supervisors of Mechanics, 100 Arcade Bldg., St. Louis, Mo.

(COPY)

Mr. E. T. Whiter, Chairman,
Association of Railway Executives,
Conference Committee of Managers,
Room 1864 Transportation Building,
Chicago, Illinois.

Cleveland, Ohio, December 30, 1920.

Dear Sir:

This will acknowledge receipt of copy of your letter of December 28th, addressed to Mr. C. P. Carrithers, and dealing with the hearings that are to begin on Monday, January 10th.

We are enclosing you copy of our letter, of even date, to Mr. Carrithers, on the same subject, for your information, and that you may know the position we take.

Yours very truly,

(Signed) L. E. SHEPPARD,
President, O. R. C.

(Signed) W. S. STONE,
Grand Chief Engineer, B. of L. E.

(Signed) W. G. LEE,
President, B. of R. T.

(Signed) W. S. CARTER,
President, B. of L. F. & E.

Enc.

C/c B. M. Jewell, President,
Railway Employees Dept., A. F. of L.,
4750 Broadway, Chicago, Illinois.

(COPY)

Cleveland, Ohio, December 30, 1920.

Mr. C. P. Carrithers, Secretary,
United States Railroad Labor Board,
Kesner Building,
Chicago, Illinois.

Dear Sir:

Referring to your letter of December 18th, wherein you notify us that the United States Railroad Labor Board has set Monday, January 10th, 1921, as the date of the hearings on that portion of the dispute between certain carriers and the transportation organizations submitted to the Board under date of April 15, 1920, which was not decided in Decision No. 2; the said portion of that dispute relating to rules and working conditions.

This is to advise that the Executives, at a conference, discussed your letter and also the copy of the letter written by you to Mr. E. T. Whiter, Chairman, Association of Railway Executives, Conference Committee of Managers, dated December 18, 1920.

We desire to call your attention to the fact that these rules under discussion, for the transportation organizations, were submitted to the Director General in August, 1919. Later on this unsettled question was delegated to the bi-partisan Board and transferred to the United States Railroad Labor Board.

At the presentation in April, the rules and working conditions were presented, along with the request for increase in wages and, insofar as the transportation organizations are concerned, their presentation of the case is closed, unless the representatives of the railway executives present additional argument that will call for rebuttal.

It is our further understanding that the Shop Crafts presented no rules. We think, in all fairness, that the Board should pass upon the rules submitted by the transportation organizations before taking up the question of rules for the Shop Crafts.

We are reliably informed that the railroads intend to consume some six weeks in presenting their side of the case on the national agreement for the Shop Crafts. This being true, it would seem only fair, as stated above, for the Board to pass upon the rules that have already been submitted by the transportation organizations before taking up this question of rules for the Shop Crafts.

We are very anxious to get the agreements for the different railroads signed up and in the hands of our men. It is impossible to do this until the Board gives its decision on the rules and working conditions, as many of the railroads refuse to sign up until these decisions are handed down.

The transportation organizations presented their argument first, before the Shop Crafts were heard, and in our opinion the Board should not require them to wait while the railroads are presenting arguments against a national agreement for the Shop Crafts which, as stated, will consume several weeks and, perhaps, months.

We do not agree with the position taken by Mr. Whiter, that the Committee of which he is Chairman "should use its judgment and discretion as to the order in which we make our presentation concerning the proposals of the several organizations", and we ask that your Board order the presentations to be made in the order in which they were made by the executives of the Labor Organizations.

A copy of this letter is being furnished Mr. Whiter, in order that he may know our position in the matter.

Yours very truly,

(Signed) L. E. SHEPPARD,
President, O. R. C.

(Signed) W. S. STONE,
Grand Chief Engineer, B. of L. E.

(Signed) W. G. LEE,
President, B. of R. T.

(Signed) W. S. CARTER,
President, B. of L. F. & E.

C/c E. T. Whiter, Chairman,
Association of Railway Executives,
Conference Committee of Managers.

C/c B. M. Jewell, President,
Railway Employees Dept., A. F. of L.,
4750 Broadway, Chicago, Illinois.

(COPY)

Room 1864 Transportation Bldg.,
Chicago, Illinois, January 5, 1921.

Mr. W. S. Stone, President,
Brotherhood of Locomotive Engineers,
B. of L. E. Bldg., Cleveland, Ohio.

Mr. W. S. Carter, President,
Brotherhood of Locomotive Firemen & Enginemen,
901 Guardian Bldg., Cleveland, Ohio.

Mr. L. E. Sheppard, President,
Order of Railway Conductors,
Masonic Temple, Cedar Rapids, Iowa.

Mr. W. G. Lee, President,
Brotherhood of Railroad Trainmen,
American Trust Bldg., Cleveland, Ohio.

Gentlemen:

I have your letter of December 30, 1920, with reference to the hearings before the United States Railroad Labor Board, set for hearing on Monday, January 10.

For your information and to advise you of the position of our Committee, I am enclosing you copies of two letters of even date to the Secretary of the Labor Board.

Yours truly,

(Signed) E. T. WHITER,
Chairman.

Encl.

(COPY)

Room 1864 Transportation Bldg.,
Chicago, Illinois, January 5, 1921.

Mr. C. P. Carrithers, Secretary,
U. S. Railroad Labor Board,
Kesner Building,
Chicago, Illinois.

Dear Sir:

Referring to letter to you under date of December 30, 1920, from Chief Executives Stone, Carter, Sheppard and Lee (of which letter copy was sent me by the four Chief Executives) and particularly to the fourth paragraph of the letter, which reads:

"At the presentation in April, the rules and working conditions were presented, along with the request for increase in wages and, insofar as the transportation organizations are concerned, their presentation of the case is closed, unless the representatives of the railway executives present additional argument that will call for rebuttal."

Upon examination of the record of our presentation heretofore made in response to the requests of the four Transportation Organizations, we find that our position has been clearly stated and the arguments supporting our position have been fully presented. Therefore, insofar as the specific requests made by the four Transportation Organizations are concerned, the presentation of the case by our Committee is closed.

Attached hereto, for convenient reference, are indexes to the pages of the proceedings wherein our presentation is set forth.

In connection with this formal closing of their respective presentations by the four Transportation Organizations and by this Committee, we direct attention to the fact that Decision No. 2, by providing monthly increases equal to thirty times the increase granted per day, has disposed of the request of the Conductors and Trainmen in passenger service to change the long established calendar month basis to a twenty-six working day basis.

Yours very truly,

(Signed) E. T. WHITER,
Chairman.

Association of Railway Executives,
Conference Committee of Managers.

(COPY)

Index to presentation made by the Association of Railway Executives Conference Committee of Managers before the United States Railroad Labor Board in response to the requests of the four Transportation Organizations.

BROTHERHOOD OF RAILROAD TRAINMEN

Article Number	COVERING	Pages of Proceedings
1	26-Day Guarantee—Passenger Service.....	{ 2151 and 2152 2228 to 2239
2	Basic Day—Passenger Service.....	2239 to 2241
3	Overtime—Passenger Service.....	2241 to 2253
4	Guarantees—Passenger Service.....	2253 to 2260
5	Mountain Differentials—Freight Service.....	{ 2260 and 2261 2285 to 2312
7	Guarantees—Freight Service.....	2316 to 2357
8	Held Away from Home Terminal.....	2357 to 2360
9	Monthly, Daily or Trip Basis.....	2360 to 2367
10	Arbitraries and Special Allowances.....	2369 to 2372
11	Beginning and Ending of Day.....	2372 to 2374
12	Deadheading.....	2374 to 2382-A
13	Right to Legislate for Yardmasters.....	2398 to 2401
15	Overtime—Yard Service.....	2402 to 2403
16	Guarantees—Yard Service.....	2403 to 2411
17	Assignments—Yard Service.....	2411 to 2424
19	Point for Beginning and Ending of Day—Yard Service.....	2424 to 2428
20	Lunch—Yard Service.....	2428 to 2439
21	Overtime—Sundays and Holidays—Yard Service.....	2439 to 2450
22	Application of Proposed Rules to Existing Agreements, etc.....	2450 to 2456
	Sur-rebuttal.....	3278 to 3305

ORDER OF RAILWAY CONDUCTORS

The Order of Railway Conductors presented the following request for working rules:

“Working Rules: The rules for all men on the train should be uniform, and they should have the same working conditions. Specific requests filed by other organizations in this regard are satisfactory to the conductors.”

Our comments in connection with the rules contained in the Trainmen's request apply equally to the Conductors.
(Sur-rebuttal covering this organization appears on pages 3306 to 3308.)

BROTHERHOOD OF LOCOMOTIVE FIREMEN AND ENGINEMEN

Article Number	COVERING	Pages of Proceedings
2	Basic Day and Overtime—Passenger Service.....	2678 to 2690
6	Assignments—Hostlers and Hostler Helpers.....	2710 to 2714
7	Starting Time—Hostlers and Hostler Helpers.....	2710 to 2714
8	Meal Period—Hostlers and Hostler Helpers.....	2710 to 2714
9	Monthly, Daily or Trip Basis.....	2714 to 2719
10	Final Terminal Detention.....	2719 to 2742
11	Deadheading.....	2742 and 2743
12	Specified Holidays—Overtime.....	2743 and 2744
13	Held Away from Home Terminal.....	2744 and 2745
14	Expenses Away from Home.....	2747
15	Monthly Guarantees.....	2747 to 2749
16	Mechanical Stokers—Two Firemen.....	2749 to 2754
17	Mechanical Coal Passers.....	2749 to 2754
18	Grate Shakers—Fire Door Openers.....	2749 to 2754
20	Removal of Tools and Supplies.....	2755 to 2757
21	Flagging and Throwing of Switches.....	2757 to 2759
22	Taking Fuel and Cleaning Fires.....	2759 and 2760
23	Investigations.....	2761 to 2765
24	Interpretation of Agreements.....	2765 to 2766
25	Conflicting Rules to be Changed.....	2766 and 2767
26	Saving Clause.....	2766 and 2767
	Sur-rebuttal.....	3309

BROTHERHOOD OF LOCOMOTIVE ENGINEERS

The above organization confined their request to changes in basis daily rates and did not present any request for changes in rules or working conditions.

(Sur-rebuttal covering this organization appears on pages 3308 and 3309.)

(COPY)

Room 1864 Transportation Building,
Chicago, Ill., January 5, 1921.

Mr. C. P. Carrithers,
Secretary, U. S. Railroad Labor Board,
Kesner Building, Chicago, Ill.

Dear Sir:

Referring to your letter to me of December 18th and my reply of December 28th, pertaining to the hearing set for Monday, January 10th, and particularly to the last paragraph of my letter which reads:

"Our Committee reconvenes in Chicago on January 4th, 1921, at which time I will take up with the Committee the order in which we will present our views and will advise you of the conclusion of the Committee."

The letter to you of December 30th from Chief Executives Stone, Carter, Sheppard and Lee, and my letter to you of even date with reference to the letter from the four Chief Executives, formally closes the respective presentations by both parties as to all the specific requests of the four Transportation Organizations which were not decided in Decision No. 2.

As to the requests of the other Organizations, this will advise that our Committee expects to make its presentation in the following order:

1. Shop Crafts.
2. United Brotherhood of Maintenance of Way Employees and Railway Shop Laborers.
3. Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees.
4. Brotherhood of Railroad Signalmen of America.
5. International Brotherhood of Firemen and Oilers.
6. Switchmen's Union of North America.
7. Order of Railroad Telegraphers.
8. American Train Dispatchers Association.
9. Masters, Mates and Pilots of America.
10. International Association of Railroad Supervisors of Mechanics.

Yours very truly,

(Signed) E. T. WHITER,
Chairman.

Association of Railway Executives.
Conference Committee of Managers.

(Copy of this letter sent to persons as shown on list next attached.)

Mr. B. M. Jewell, President,
Railway Employees' Dept., A. F. of L.,
4750 Broadway, Chicago, Ill.

Mr. S. E. Heberling, President,
Switchmen's Union of North America,
39 North Street, Buffalo, N. Y.

Mr. M. F. Ryan, President,
Brotherhood of Railway Carmen of America,
503 Hall Building, Kansas City, Mo.

Mr. W. S. Carter, President,
Brotherhood of L. F. & E.,
901 Guardian Bldg., Cleveland, Ohio.

Mr. J. A. Franklin, President,
Int. Bro. of Boilermakers, Iron Ship Builders &
Helpers of America,
315 Wyandotte Bldg., Kansas City, Mo.

Mr. John H. Pruett,
Masters, Mates & Pilots of America,
423-49th St., Brooklyn, New York.

Mr. W. G. Lee, President,
Brotherhood of Railroad Trainmen,
American Trust Bldg., Cleveland, Ohio.

Mr. J. J. Hynes, President,
Sheet Metal Workers Int. Alliance,
122 So. Ashland Bldg., Chicago, Ill.

Mr. Timothy Healy, President,
Bro. Stationary Firemen & Oilers,
211 East 45th Street, New York, N. Y.

Mr. J. G. Luhrsen, President,
American Train Dispatchers Assn.,
300 Mallers Bldg., Chicago, Ill.

Mr. E. J. Manion, President,
Order of Railroad Telegraphers,
Missouri State Life Bldg., St. Louis, Mo.

Mr. W. R. Johnston, President,
International Association of Machinists,
Machinists Bldg., Washington, D. C.

Mr. Jas. P. Noonan, President,
Int. Bro. of Electrical Workers,
Machinists Bldg., Washington, D. C.

Mr. L. E. Sheppard, President,
Order of Railway Conductors,
Masonic Temple, Cedar Rapids, Iowa.

Mr. J. W. Kline, President,
Int. Bro. of Blacksmiths, Drop Forgers & Helpers,
608 So. Dearborn St., Chicago, Ill.

Mr. E. H. Fitzgerald, President,
Bro. of Railway & S. S. Clerks, Frt. Handlers,
Express and Station Employees,
Second Nat. Bank, Cincinnati, Ohio.

Mr. W. S. Stone, President,
Bro. of Locomotive Engineers,
B. of L. E. Bldg., Cleveland, Ohio.

Mr. D. W. Helt, President,
Bro. Railway Signalmen of America,
Machinists Bldg., Washington, D. C.

Mr. E. P. Grable, President,
United Bro. Maintenance of Way Employees,
27 Putnam Avenue, Detroit, Mich.

Mr. W. V. O'Neil, President,
Int. Assoc. of R. R. Supervisors of Mechanics,
100 Arcade Bldg., St. Louis, Mo.

(COPY)

RAILWAY EMPLOYEES' DEPARTMENT

A. F. of L.

Headquarters, Riviera Building,
4750 Broadway, Chicago, Ill.

January 6, 1921.

Mr. C. P. Carrithers, Secretary,
United States Railroad Labor Board,
Kesner Building, Chicago, Ill.

Dear Sir:

This in reply to your letter of December 18th, regarding further hearings on rules now pending before the United States Railroad Labor Board and Mr. Whiter's letter of January 5, 1921.

If the Committee representing the railroads does not make further arguments before the Board on rules pertaining to the Switchmen, it is my desire not to present any further arguments in addition to what has been presented to your Board in hearings April, 1920. Should the railroad officials make further arguments, then we will reserve the right to offer a rebuttal.

Yours very truly,

(Signed) B. M. JEWELL,
President,
Railway Employees Department, A. F. L.
(Signed) S. E. HEBERLING.
President,
Switchmen's Union of North America.

C.C. Mr. E. T. Whiter.

(COPY)

Room 1864 Transportation Bldg.
Chicago, Ill., Jan. 8, 1921.

Mr. C. P. Carrithers,
Secretary, U. S. Railroad Labor Board,
Kesner Building, Chicago, Ill.

Dear Sir:

Referring to letter to you under date of January 6, 1921, from Mr. B. M. Jewell, President, Railway Employees Department, American Federation of Labor, and Mr. S. E. Heberling, President, Switchmen's Union of North America (copy of which letter was sent to me by Messrs. Jewell and Heberling) and particularly to the last paragraph of the letter, which states:

"If the Committee representing the railroads does not make further arguments before the Board on rules pertaining to the Switchmen, it is my desire not to present any further arguments in addition to what has been presented to your Board in hearings April, 1920. Should the railroad officials make further arguments, then we will reserve the right to offer a rebuttal."

This will advise that our Committee does not desire to make further arguments than have been heretofore made in our presentation in response to the requests of the Switchmen, which appear at pages 2457 to 2459 of the transcript of the proceedings. Therefore, the presentation of our case with reference to the Switchmen's demands is formally closed.

Yours truly,

(Signed) E. T. WHITER,

Chairman.

Association of Railway Executives.
Conference Committee of Managers.

Copy to

Mr. B. M. Jewell,
Mr. S. E. Heberling.

CLOSING STATEMENT MADE BEFORE THE UNITED STATES RAILROAD LABOR BOARD ON FEBRUARY 3, 1921, WITH REGARD TO THE OBJECTIONS OF THE RAILROADS TO THE CONTINUATION OF THE SO-CALLED NATIONAL AGREEMENTS, WAGE ORDERS, ADDENDA, SUPPLEMENTS, AND INTERPRETATIONS, AND TO RULES AND WORKING CONDITIONS REQUESTED BY VARIOUS ORGANIZATIONS.

In closing the statements of the railroads with reference to the requests under consideration in this hearing, viz.: that all the so-called National Agreements entered into by the United States Railroad Administration, the wage orders, addenda, supplements, interpretations, etc., shall be continued in effect, we desire to emphasize the statements contained in our opening remarks.

First: That there is no obligation upon the individual railroads to accept and adopt these agreements, wage orders, etc. to which they were not a party; that there is no obligation in law or reason that they should be required to adopt these intricate, complicated and extensive regulations, which were applied throughout the United States, with utter disregard of conditions on the individual properties or the extraordinary, in many cases grotesque, results which followed. Further, that the necessity for specific understanding to continue these agreements was plainly recognized by the Organizations who were parties to such Agreements, as shown by their letter of March 24, 1920, quoted in the proceedings of May 6, Volume XVI, commencing at page 1611, as follows:

"Washington, D.C., Mar. 24, 1920.

"Mr. E. T. Whiter, Chairman,
"Railway Executives' Conference Committee,
"Room 353, Washington Union Station,
"Washington, D. C.

"Dear Sir:

"During Government Control of Railroads, General Orders, Supplements, Addenda, National Agreements, and Interpretations thereof were issued by the United States Railroad Administration, as result of negotiations conducted with the organizations parties to this conference.

"These General Orders, Supplements, Addenda, National Agreements and Interpretations thereof are continued in effect until September 1, 1920, except as amended by mutual agreement between the organizations and managements of the railroads and carriers covered by the Transportation Act of 1920.

"In the interest of successful operation, it is desirable that definite agreements be had prior to September 1, 1920, providing for the preservation of the conditions of employment thereafter, and that these agreements be entered into at the earliest possible moment.

"Therefore, the organizations, parties to this conference, urge that the Association of Railway Executives delegate your committee with authority to enter into an agreement preserving the provisions of such General Orders, Supplements, Addenda, National Agreements and Interpretations thereof, upon all railroads and carriers coming under the provisions of the Transportation Act of 1920.

"BY ORDER OF THE COMMITTEE.

"(Signed) B. M. JEWELL, Chairman,
"Railway Employees' Conference Committee."

Further that the terms and provisions of the Transportation Act have not been complied with with respect to the requirement that bona fide efforts must be made to reach agreements between the parties directly concerned before the controversies can be submitted to your Board. We hold that this is a separate and distinct phase of the problem before the Board and that this phase should be disposed of by the Board independently of the merits of the respective agreements and the individual rules contained therein.

Second: Through the wage orders, addenda, supplements, interpretations, etc., which we have brought to the attention of the Board, we feel that the Board will recognize that through the provisions of Decision No. 2 of the Labor Board, that:

"The Board assumes as the basis of this decision the continuance in full force and effect of the rules, working conditions and agreements in force under the authority of the United States Railroad Administration. Pending the presentation, consideration and determination of the questions pertaining to the continuation or modification of such rules, conditions and agreements, no changes therein shall be made except by agreement between the carrier and employees concerned. As to all the questions with reference to the continuation or modification of such rules, working conditions and agreements, further hearings will be had at the earliest practicable date and decision thereon will be rendered as soon as adequate consideration can be given."

many bases of classification of service for purposes of pay, application of rules, etc., have been continued, notwithstanding that by reference to the terms of the agreements themselves, they terminated February 29, 1920; also by reference to Circular 121 of the Director General it will be found that he states that decisions by the Railroad Administration, Railway Boards of Adjustment, Staff Officers, etc., were not to extend beyond the termination of Federal control of the Railroads, viz.:

12.01 A. M., March 1, 1920. These Boards of Adjustment and Staff Officers have continued to render decisions, and so far as known, may continue to render decisions as long as they exist, affecting the responsibility of the Railroad Administration, in cases occurring during the period of Federal Control. Many decisions have been rendered since the date of Decision No. 2. Some of these decisions have been incorporated in our presentation. We feel that your Board certainly did not in Decision No. 2 base your conclusions on decisions of these Boards of Adjustment which had not theretofore been rendered.

From the provisions of Decision No. 2 quoted herein, there would not appear to be any doubt of the intention of this Board to continue the bases of pay resulting from the decisions of proper authorities of the Railroad Administration, but it is very properly a question whether this Board intended to vitalize decisions which by instructions of the Director General were to only apply up to the end of Federal control and continue them in the same manner as it did acts of the Railroad Administration prior to the date of its decision.

These decisions have such extensive ramifications and are so utterly out of all reason in the light of practical conditions and the extravagant payments resulting, as repeatedly stated herein, that we feel the only practical way to properly dispose of these complications is by negotiation between the Managements of the individual properties and the proper representatives of their employees, and that no railroad or tribunal could justify such expenditures and expect that the patrons of the railroads should pay rates or producing revenues to be expended in such a manner.

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RESOLUTION OF THE UNITED STATES RAILROAD LABOR BOARD

DATED FEBRUARY 9, 1921, AND READ INTO RECORD

AT HEARING HELD FEBRUARY 10, 1921

February 9, 1921.

RESOLVED, that the Chairman be authorized to make the following announcement at 10:00 A. M., Thursday, February 10th:

The Board has considered the request of the Association of Railway Executives as presented on January 31st, 1921, and has made its decision thereon.

In order that the reasons for this decision may be understood, a statement of the history of the present dispute which relates to the agreements, rules and working conditions entered into or authorized by the United States Railroad Administration and their justice and reasonableness is necessary.

On February 28, 1920, the Transportation Act became law. This act created this Board and imposed upon it the duty of deciding disputes between carriers and their employees. Section 307 (d) of the Act provides that all the decisions of the Labor Board in respect to wages, salaries and working conditions of employees of carriers shall establish rates of wages and salaries and standards of working conditions which in the opinion of the Board are just and reasonable. Prior to the passage of the Transportation Act, the organizations of railroad employees made certain requests for increases in wages and for changes in working conditions. These requests were submitted to a conference between representatives of the carriers and of the organizations concerned which conference took place on March 10th, 1920, and continued to April 1st. The conference resulted in complete failure to agree and the parties accordingly referred the entire controversy, which included the question of reasonable rules and working conditions as well as wages, to this Board.

This Board in its decision of July 20th, 1920, Decision No. 2, decided what wages constituted just and reasonable wages for the employees of carriers parties to the dispute. The action of the Board with regard to that part of the dispute which did not relate to wages is set out in Decision No. 2 as follows:

"There are in the dispute as presented questions involving rules and working conditions, some of which are interwoven with and materially affect earnings and wages. Adequate investigation and consideration of these questions would demand time. Existing conditions required that the Board should make as early decision of the wage question as practicable. For that reason, it has been necessary,—and both parties to the controversy have indicated it to be their judgment and wish, that the Board should separate the questions involving rules and working conditions from the wage questions. Accordingly, the Board has not undertaken herein to consider or change the rules and agreements now existing or in force by the authority of the United States Railroad Administration or otherwise and this decision will be so understood and applied.

"The Board assumes as the basis of this decision the continuance in full force and effect of the rules, working conditions and agreements in force under the authority of the United States Railroad Administration. Pending the presentation, consideration and determination of the questions pertaining to the continuation or modification of such rules, conditions and agreements no changes therein shall be made except by agreement between the carrier and employees concerned. As to all questions with reference to the continuation or modification of such rules, working conditions and agreements, further hearings will be had at the earliest practicable date and decision thereon will be rendered as soon as adequate consideration can be given."

On December 18, 1920, this Board notified the parties to the dispute that a hearing of that portion of the dispute which was submitted to the Board on April 15, 1920, and which was not decided in Decision No. 2, which said undecided portion of the dispute related to rules and working conditions, would be heard beginning Monday, January 10, 1921.

Accordingly, on that date the representative of the carriers presented evidence, and argument tending to show that the rules and working conditions embodied in the agreements entered into by the Director General and the several organizations of railroad employees were in many respects unjust and unreasonable and continued to present evidence and arguments as stated until February 3, 1921.

On January 31st, 1921, the Chairman of the Labor Committee of the Association of Railway Executives appeared before the Board and urged that this Board at once take the following action in order to avoid a financial catastrophe to the railroads:

First, that the national agreements, rules and working conditions entered into or authorized by the United States Railroad Administration be terminated at once; that the question of reasonable rules and working conditions be remanded to negotiations between each carrier and its own employees and that as the basis for such negotiations, the agreements, rules and working conditions, in effect as of December 31, 1917, be re-established.

Second, that the Board set aside its decision expressed in Decision No. 2 as to what constitutes just and reasonable wages for unskilled labor and that it substitute the prevailing rate of wages in the various territories served by any carrier.

Section 307 of the Transportation Act, 1920, provides:

"All the decisions of the Labor Board in respect to wages or salaries and * * * * * in respect to working conditions of employees or subordinate officials of carriers shall establish rates of wages and salaries and standards of working conditions which in the opinion of the Board are just and reasonable."

It is obvious that the Board cannot assume without evidence of the justness and reasonableness of the agreements, rules and working conditions in effect on each railroad as of December 31, 1917, that such agreements, rules and working conditions would constitute just and reasonable rules and working conditions today on the railroads parties to the present dispute. To make such a decision without evidence and careful consideration would be an abdication of the functions of this Board and would frustrate the purposes of the Transportation Act.

It is the judgment of the Board, therefore, that the request of the Association of Railway Executives for the immediate termination of existing Rules must be, and is accordingly denied.

The duty is imposed upon this Board by the Transportation Act of determining just and reasonable wages and working conditions for employees of carriers. All questions involving the expense of operation or necessities of railroads and the amount of money necessary to secure the successful operation thereof are under the jurisdiction, not of this Board, but of the Interstate Commerce Commission.

This Board is not insensible, however, of the fact that the national agreements, rules and working conditions which are the subject matter of the dispute now being heard by the Board, do affect the expenditures of the railroads. If any of these rules and working conditions are unjust and unreasonable, they constitute an unwarranted burden upon the railroads and upon the public. It is, therefore, the duty of this Board to use the utmost practicable expedition, consistent with the necessary time for hearing and consideration, in determining whether any of the rules and working conditions now in effect are unreasonable. The Board is endeavoring to perform this obligation and will be better able to succeed in doing so if it is not further interrupted by the introduction of unwarranted demands by either party.

The Board must also deny the request of the Association of Railway Executives as presented by the Chairman of its Labor Committee that so much of Decision No. 2 as fixed wages for unskilled labor be set aside and the prevailing rates of wages in the various territories served by any carrier substituted.

The boundaries of the power of this Board to decide controversies between railroads and their employees are set out in Section 307 of the Transportation Act. Section 307 (b) provides:

"The Labor Board upon the application of the Chief executive of any carrier * * * shall receive for hearing and as soon as practicable and with due diligence decide all disputes with respect to the wages or salaries of employees not decided as provided in Section 301."

Section 301 provides that it shall be the duty of all carriers and their officers, employees and agents to consider disputes in conference between representatives designated and authorized so to confer by the carriers or the employees or subordinate officials thereof directly interested in the dispute. If the dispute is not decided in conference, it shall be referred by the parties to the Railroad Labor Board.

It does not appear that there has been any attempt on the part of the Association of Railway Executives to secure conference with representatives of the unskilled laborers directly interested in this controversy.

The Board is therefore without jurisdiction to take the action requested.

UNITED STATES RAILROAD LABOR BOARD.

R. M. BARTON,
Chairman.

ATTEST:

C. P. CARRITHERS,
Secretary.

_____ o _____

STATEMENT OF MR. FRANK P. WALSH ON BEHALF OF THE EMPLOYEES
MADE BEFORE THE UNITED STATES RAILROAD LABOR BOARD
ON FEBRUARY 10, 1921

Mr. Walsh: May it please the Chairman and your Honorable Board: It would not be amiss for me, I am sure, to observe here, that in the opinion of those whom I represent, as well as my personal opinion, the decision which you have rendered here, and the laying out of your future course, is perhaps the most momentous decision that has ever been rendered in the United States as far as our citizenship is concerned, outside of any representation which I have here.

This Board is the result of a struggle—I might say an intellectual struggle and one abstracted entirely from any of the ordinary things that come up as controversies between employers and employees, because it is the final co-ordinated thought of all of those publicists and representatives of our government that have studied the industrial and economic phenomena of this country and have arrived at this in a basic industry as the spear point which points directly to some other settlement of controversies that affect all of our citizenship, than the attributes heretofore known that occurred in industrial struggles. They involve everything, so far as these immediate organizations are concerned—the struggle for organization, the right of collective bargaining, the right of an orderly effort, first, between employer and employee to adjust their differences, and finally an appeal to a forum of such integral strength, as far as this organization is concerned and of such personnel that men will be willing to surrender certain natural rights for the benefit of society as a whole, that I am going to undertake to say—and I am going to keep within the suggestion of the Chairman, because I know the very great value of your time—I am going still to observe that had it been permitted for the orderly conduct of this judicial hearing to be interrupted, it would be parallel to the unthinkable scene of a gentleman interested deeply and financially in a case coming before the Supreme Court of the United States, where the issues had been framed, and where consideration of the Justices was about to be had and argument was about to be made, to intervene and have a party ask the Chief Justice to suggest to that Honorable Body that it should at once desist in its orderly deliberations for the reason that he represented the defendants in the case, who were upon trial and that the judgment of that Court would be rendered nugatory, because they would not comply with it, first, because they were not financially able to comply with it, and follow it by saying that if the Court did not desist in that hearing they were in a position, through their power and influence, and through those whom they represented, so to burden the Court with litigation of this character that it would be destroyed.

Again, had this Honorable Body listened to the suggestion that these rules and agreements which affect the whole industry, and which affect the cost of the industry be abandoned without a hearing, and that 300,000 men should have their wages reduced on account of the alleged necessity of their employers, that again would be comparable to Mr. Jewell appearing here for these workers and calling attention to the fact, for instance, that the Delaware & Lackawanna Railroad had applied to the Interstate Commerce Commission for permission to distribute their surplus in a new stock issue to their stockholders, amounting to something like \$100,000,000, and for Mr. Jewell to appear here on behalf of the men of that road, and of the Chicago, Burlington & Quincy, which is similarly situated, and urge upon the Board the fact that these companies were very rich and had made a great deal of money, and therefore the employees were entitled to a greater division of that money, and having discovered that, they proposed to stop the operations of the Board unless this Board immediately made a finding that their wages, with probably a retroactive clause, should be increased 100 per cent, on account of the fact these railroads were rich and amply able to pay them.

So, I say the decision of this Honorable Board goes far beyond the representation which I have the honor to make here today, vast as that is, and much as it means to the wives and families of millions of men engaged in the most necessary industry of our whole social life. I had prepared here to answer the suggestions of Mr. Atterbury with reference to the advisability or to the power, under the law of your Board, considering the question of the financial ability of a railroad to pay, and I might suggest it in a word, that your opinion follows not only the best thought of those who have studied this question for generations as applicable to all industry, as well as the railroad industry, but you followed the intent of the law, as expressed over and over again by its framers in the words that society has agreed upon wherever it has spoken, and that is—that the first charge upon any industry is a just and adequate wage to those who carry it upon, and that the basis of that is a living wage to the humblest employee who performs a necessary task in the productivity of that industry and if that cannot be done, then that industry is a parasitical industry and the State should take it over or it should be abolished as a menace to the fabric of the entire State.

Now, ruling as you have in this case, the gentlemen whom I represent are now confronted with the consideration of the main question that was under consideration by your Honorable Board.

The success of a judicial institution, such as this is, and while this is an administrative board and is limited in its powers to the express provisions of the statute, very little reflection will bring you to the thought that this body has powers greater than was dreamed of in the delegation of judicial power to our courts, even in my time. It has the power conferred upon it, as a Board to inquire into the condition of the industry involved here and elsewhere. It gives a great power, although this is a Board that acts as a whole, composed of nine members, to the individual members of the Board, not only to make personal inquiry under order of the Board away from the sittings of the Board, but by the power of subpoena and the *duces tecum*, enforced by the strong arm of the Federal judiciary, can each individual inquire into those things which he thinks are competent and necessary for a proper consideration of the case.

Now, then, we come to this National Agreement. First, the suggestion is made and sent broadcast that this body would have the power to pass upon the question of the rights of three hundred thousand men so far as wages are concerned, without a consideration of the case. Second, it carries the thought, and it has been carried broadcast in this country, that unless this body acts, and acts quickly, that a great public calamity is about to fall, that the railroads of this country are about to go into bankruptcy, and therefore throw the entire country into chaos. That has a very great bearing on the presentation of our case.

In the first place, it is not true, as expressed in the statement of the Railroad Executives, through Mr. Atterbury, that those rules are wartime regulations imposed upon the railroads in the exigencies of the world war.

Again, they say that if you fail to do this, you are violating the pledge of the President as to the conservation of the rights of the stockholders.

And another item, to which I very much desire to address myself, is the taking from its context of a statement made by the National War Labor Board to the effect that the war was to be looked upon as an industrial interregnum in which one side was not to take advantage of another, and arguing from that that you should immediately permit these railroad companies, organized in the first place as large units in corporate life, added to by organizations again of those units, super-added the organizations of the Executives and the Managers of these Railroads—that these were to be allowed to continue, but that the employees, on account of these expressions of the Government were to be relegated to conditions such as existed in 1917. In other words, that the combined organizations of all the railroads with the direct command of the Transportation Act which created this Board, that those railroads should consolidate for economic purposes, ready to consolidate, ready to adjust rates, organized as a national unit on account of reasons so compelling that all branches of our Government have acceded to it and taken action upon it, that with that highly intensive organization of the railroads of this country, that you are by your *ipsi dixit* to relegate these men to the conditions of 1917.

We say that there is nothing in this situation that calls for precipitate action. We say that the National Agreements, so called, were in effect upon fifty per cent of the railroads of this country before there was any war. It was the result of the effort of years to establish just conditions. And I say, and say it without any offense, that the conditions referred to by Mr. Atterbury as the conditions that obtained in 1917, he clearly conceives to be the conditions which obtained upon the Pennsylvania Railroad.

In a small duty which I had to perform in this industrial field, in a body constituted much as yours, but without the power of decision—the United States Commission of Industrial Relations—we were charged by the Government to investigate the conditions of the railroads in the United States. And upon that Board was a Railroad President and the executive of one of the great railway brotherhoods. And when we came to select the typical railroads, those representatives upon that Board were permitted by the balance of the Board to select the two railroads that best typified what one side claimed was the modern thought, of the right of the men to collective bargaining, the adjustment of disputes, first by conference between the heads, and second by an orderly appeal to arbitration, and those roads which denied those principles, that were the most backward—the road that was most backward in accepting the ordinary rights of citizenship and of organization to its employees. And it is significant to find that the roads picked were the Chicago, Milwaukee & St. Paul, as the fair road, and the Pennsylvania road, as the most backward road in the United States.

An investigation of the Pennsylvania Railroad shows clearly the basis that they desire to go back to. I say first as the representative of these men, and second, as a citizen of the United States, God forbid that we should ever go back to that. It involves the absolute destruction of the right of free speech. It destroys the absolute right declared by every body that ever passed upon the subject that men had a right to organize and bargain collectively. It involves in times of peace the keeping of a standing private army, as was proven against the Pennsylvania Railroad, with all of the instruments of warfare under private command, a constant menace to the State, and begrudging recognition of the powerful brotherhoods that move their trains because it had been reluctantly forced upon them, and a never-ceasing, every-day campaign to destroy the right of such men as they ask here to wipe away their earnings, to organize and try to have a collective voice to get better conditions.

I simply wish to say this further, that the statement of Mr. Atterbury presents facts that are of the utmost pertinency in the consideration that you are about to give to this question. For instance, as to the costs of the working rules as they are. Mr. Atterbury was again—I am sorry to say—lacking in frankness.

If the abolition of these rules would make a saving of three hundred millions of dollars a year, that would be but five per cent of their operating earnings. Therefore, his conclusion is lacking in logic. It could not destroy the railroads.

Again, I am very much afraid that Mr. Atterbury received his conclusions from other hands. And I have found them on a slight investigation to be extremely variable. Mr. Atterbury, before your Honorable Board, stated that the abolition of the National Agreements would result in a saving to the railroads of three hundred millions of dollars. We have a statement given to the press for release on the same day by Mr. T. Dewitt Cuyler, which was recalled on account of the appearance of Mr. Atterbury before your Board, in which Mr. Cuyler stated that the National Agreements had increased railroad expenses to the extent of one hundred and fifty million dollars a year—just one-half of what Mr. Atterbury stated here.

Mr. Atterbury, before the Philadelphia Chamber of Commerce, surrounded by gentlemen that perhaps had the same general object in view, stated before starting for here, and a day or two before, that the result of the National Agreements, as applied to the railroads, after war time, had been to increase—if maintained, would increase the cost of maintenance of equipment from five hundred millions before the war to four billions, or an increase of three billions five hundred million dollars.

Another release from Philadelphia in—no, that was his interview in the Philadelphia Inquirer before he came. In his speech before the Chamber of Commerce he said that the National Agreements were costing the railroad companies five hundred million dollars per year.

We find on an investigation—and I might say this and say it very briefly, that the statement Mr. Atterbury made here might indicate to the unthinking that the railroads of this country were on the verge of bankruptcy. There are railroads in this country upon the verge of bankruptcy, of course. They were inconsiderately built. They had no public to serve commensurate with the building of the road and the amount of the investment. They are chronically in a state of bankruptcy. They have gone in and they have gone out. The railroads of this country are stronger financially today, and stronger, not on account of the backing they received from the United States Government, but stronger on account of the absolute increase in their traffic and the reduction in operating expenses measured, compared to the increase in their traffic, than they ever have been in the history of our whole country.

There are other railroads, as we thoroughly understand, that have been so mismanaged—mismanaged, some of them, as evidence has shown in court proceedings, to the point of criminality, that they were brought to the verge of bankruptcy and are only now coming out of it. But certainly that is not a reason for your Honorable Board to suspend its functions, nor should it be used as a reason to set aside rules that were found just and equitable, and to reduce the wages of men below the cost of living, where they are, as a matter of fact, at the present time.

Class one has ninety per cent of the mileage of the United States. Oh, I might say with respect to bankrupt roads, that includes, of course, roads that are not in class one, some of them.

Class one has ninety per cent of the mileage of the United States. The total surplus on hand, the total credit surplus of those railroads is three billion ten million dollars.

Two hundred in class one, or about 170 of those railroads show that surplus, a credit surplus of three hundred and ten million dollars.

There are only thirty-two that show a deficit. And that includes these mismanaged roads.

And the total aggregate deficit amounts to but one hundred and sixteen million dollars, so that they have a net surplus, all of the roads in class one, of two billion and eight hundred million dollars.

Now, the legislators, the law-making power, when they created this Board, of which you are so important a part, had this very idea in mind, so they provided for the consolidation of these roads in groups, which is already going on. And these roads when consolidated will be so managed, and the earnings so distributed, that those roads that have been discriminated against by improper competitive conditions, and other things that it is not necessary for me to go into now, will be placed more closely upon an equality with the other roads, and for the sake of serving the whole United States it is believed, and I believe, that all of those roads will be placed upon a solid financial basis.

Again, the short line railroads, included, of course, in this general situation the tonnage upon them, but from twenty to forty per cent originates and ends upon the small roads. In other words, from sixty to eighty per cent of the tonnage that is initiated upon the small roads, finally finds its way on a part of its journey over the long roads.

Now, experience has shown the Interstate Commerce Commission and all of those who have investigated this subject, that the more powerful roads have had a very strong influence upon these smaller roads, in that they are in a position to take a greater share of the result of the work of the small roads than they are entitled to for the length of the haul which they make. So this law which created this Board has also provided that the Interstate Commerce Commission has a right to readjust the rates of the small roads, interstate or intrastate, in order that they shall bear a more honest and juster relation to the whole haul and take into consideration the necessities of those small roads; in other words, to pay them adequate pay for the service. That has already been begun and is going on, so they will have the vitality, the blood will be given to those smaller roads as well.

Now, in view of the statements that have been made here, that the result of the National Agreements—and that is a subject, of course, for your very earnest and proper consideration—that it has resulted in great waste—I would not properly represent those whom I represent here, if I did not say that that is not the truth, that it is not typical.

It was our very proud reflection that ours was the only country during the great war where the industries—all of the industries were carried on without the loss of one day's production in essential war industry on account of labor disputes. In other words, notwithstanding the War Labor Board had to take within its jurisdiction disputes involving almost three million employees, there never was such a cessation in labor as to cause one day's loss to essential labor productivity in this country. And I want to say that that applies to the workers whom I represent as well. I want to say that that statement that great wastage had resulted may find its basis before your body—and the further efforts that may be made when you come to consider this whole case—the basis may be found in the fact that those railroads are now presenting claims against our Government amounting to millions of dollars, much of which is based upon the alleged waste under Government ownership. But if they could get a finding, even inferentially from this Board upon this full hearing, and I say—and I think I say it without undue prejudice, that perhaps that was a large part of the animative force behind this statement of Mr. Atterbury and those whom he represented, because if they could get even an inferential finding from this Board that there was such waste, it would be of immense value in adjusting those disputes that are placed in a concentrated way and outside of the courts in a way that has never been known to our country before and is a part of the alleged exigencies growing out of the great war.

Now, we have gathered here and we ask to present it in connection with the request that we are going to make of this Board, as to subpoenaing of witnesses for the hearing that is now to proceed—

The Chairman: Of course, counsel will bear in mind the resolution passed by the Board, and consider how far that should limit the views to be presented.

Mr. Walsh: Yes. I will do that, Mr. Chairman. I am doing that. Naturally, of course, this finding—we came in response to this letter and this finding was somewhat of a surprise to us. But I am trying not to trench upon those instructions that the Board have indicated we should have in mind. Nevertheless, now, we are going on with this hearing, and I am leading up to a request that we are about to make for the subpoenaing of witnesses on the whole question of the abolition of National rules.

The Chairman: It occurs to my mind, of course, the Chair never can anticipate what a gentleman is going to say, and some times we all take a running jump.

Mr. Walsh: Yes, we do.

The Chairman: Before we think.

Mr. Walsh: And we jump too far when we are not prepared some times.

The Chairman: Yes, and some times make a good many remarks in the premises. The Chair can never anticipate, but it occurs to me that you might be going to address us on the question of taking evidence on a subject—

Mr. Walsh (interrupting) I am.

The Chairman: (Continuing)—that is—

Mr. Walsh: (Interrupting)—That is still left to the Board.

The Chairman: Well, of course, I just want to caution you on that.

Mr. Walsh: Yes.

The Chairman: And request you to expedite the hearing and not go into water that has passed over the dam.

Mr. Walsh: I will remember that, Mr. Chairman. And I am coming to my request now, and I wish to say this, to sum it up by saying that the railroads are not in a dangerous condition; that the employees whom I represent have not been derelict in their duty; they have not wasted the substance of the railroad companies; they have not added improperly to the costs of railroad operation; that Mr. Atterbury's statement here is a part of an effort to establish in this country what they call the open shop; that he represents not only his railroad company, but he represents the banking control that are engaged at the present time in that effort; that the open shop, as it was developed in the steel investigation, operated by the same gentlemen whose names I am about to give you and ask to be subpoenaed before your Honorable Board, were forced through their representatives to confess that their open shop movement meant an effort to crush every labor union in the United States; that their open shop movement that in this temporary period of depression, which Mr. Atterbury says will be over in a few months—that during that, they want a strict espionage upon the personnel of their employees, and to discharge any man that carries a union card; that it was their intention to absolutely wipe out every advance that has been made along the line of collective bargaining and just and adequate cooperation between employee and employer.

I am going to give the Board the names of the Directors of those railroads. Twelve of them have financial control, of 90 per cent of Class 1 railroads. Mr. Atterbury presumably only speaks for those who are in control. We will submit to you now the names of the gentlemen whom we say have the knowledge of the condition of the railroads in this country and that are the moving force, the gentlemen that were behind these statements made by Mr. Atterbury, the complete disclosure of the incorrectness of which is prevented at this moment by the ruling of your Honorable Body.

Mr. Hunt: Mr. Chairman, may I ask Mr. Walsh one or two questions?

The Chairman: Yes.

Mr. Walsh: Yes, Mr. Hunt.

Mr. Hunt: I think the Board would like to know what you expected to prove by these witnesses. It is possible that the Board may then be able to determine whether or not their testimony, if given—

Mr. Walsh: (Interrupting) Yes, sir.

Mr. Hunt: (Continuing)—would be relevant to the main subject.

Mr. Walsh: Yes, sir.

Mr. Hunt: That is, the reasonableness of rules in effect on the railroads now, and what rules would be reasonable.

Mr. Walsh: Yes.

Mr. Hunt: In case those are not.

Mr. Walsh: Yes. Well, we must have a background for that; as I understand from the ruling of the Board just made this morning, they have a right to take into consideration, and are going to take into consideration the reasonableness

of these rules, a part of the consideration of which will come from the fact whether they were wasteful or not, and whether they did through their application unnecessarily impose burdens upon the railroad companies which ought not to be imposed.

Now, we propose to—the statement is made by Mr. Atterbury that that is the case—and we propose to show by these men who know better than anyone else that that is not the case.

Mr. Hunt: That what is not the case?

Mr. Walsh: That there has not been wastage on account of those rules, that the rules—we will endeavor to show by those gentlemen that the rules have imposed no burden upon the railroad companies.

Mr. Hunt: Well, according to your argument, and as I understand it, it would not make any difference whether the rules imposed a burden on the companies or not, if they were just and reasonable rules, would it?

Mr. Walsh: Well, an unnecessary or an improper burden upon the companies.

I am trying to answer now, very quickly, the suggestion made in your statement here. If I gather the statement, you are not going to consider, of course, I think that is very clear,—the financial ability of the railroads to pay.

But, you are going to consider, as I understand it, the question as to whether the imposition of those rules, or the continuation of those rules results in wastage, improper wastage, thus placing a burden upon the railroads that they ought not to have.

Mr. Hunt: Mr. Walsh knows too well the rules of evidence for me to make the slightest suggestion that it is necessary for us to confine ourselves, if we are to make progress, to matters that are really relevant to our main problem.

Mr. Walsh: I think so.

Mr. Hunt: And with that remark, I will say no more.

Mr. Walsh: I think so, yes.

The Chairman: The only other suggestion the Chair cares to make is—rather, I make it as a member of the Board, and not as Chairman, because I only make rulings when the Board authorizes me to—is that it struck me that probably you were drifting off into a subject and an examination that the Interstate Commerce Commission had taken up.

The President in his reply points out that the Interstate Commerce Commission has jurisdiction—in reply to the communications that were made to him on this subject by the respective parties, that, “The Interstate Commerce Commission has full jurisdiction of all questions involving the expense of operation, the necessities of the railroads, and the amount of money necessary to secure the successful operation thereof.”

Of course, the Chair will not prevent you from making any request that you want to.

Mr. Walsh: Certainly.

The Chairman: And the Board can then act on it.

Mr. Walsh: Certainly, certainly. That is all I wish to do. I wish to submit it, of course.

The Chairman: Yes.

Mr. Walsh: I have the names set out here in a little memorandum, and I will just submit them to the Board, with the request that as we proceed with the consideration of the rules and National Agreements that these gentlemen be subpoenaed.

The Chairman: Hand them to the Official Reporter.

Mr. Hanger: I think, Mr. Chairman, that it might be well to have those names read for the information of the Board.

The Chairman: That will be done.

Mr. Hanger: And the representatives of the railroads.

Mr. Walsh: We want—we request that Mr. Atterbury and his sub-committee on labor—I have not the names, but Mr. Jewell or Mr. Lauck will supply them to you, be subpoenaed.

The Chairman: Well, read those that you have requested.

Mr. Walsh:

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|----------------------|-----------------------|---------------------|---------------------------|
| 1. Robert S. Lovett, | 8. L. F. Loree, | 14. J. E. Reynolds, | 20. Julius Kreuttschnitt, |
| 2. Wm. Rockefeller, | 9. A. J. County, | 15. Chas. Steele, | 21. Chas. E. Ingersoll, |
| 3. H. W. deForest, | 10. A. W. Krech, | 16. Howard Elliot, | 22. E. T. Stotesbury, |
| 4. A. H. Smith, | 11. F. H. Davis, | 17. M. H. Smith, | 23. E. V. R. Thayer, |
| 5. G. F. Baker, | 12. Fairfax Harrison, | 18. Chas. Hayden, | 24. T. deWitt Cuyler, |
| 6. H. S. Vanderbilt, | 13. W. W. Atterbury. | 19. A. H. Harris, | 25. H. Walters, |
| 7. Samuel Rea, | | | |

Now, here is what we had in mind. As I say, we had to consider this very hurriedly, but the point to which we propose to direct this testimony is this. In your decision of this morning, you use this language:

"This Board is not insensible, however, of the fact that the National Agreements, rules and working conditions which are the subject matter of the dispute now being heard by the Board do affect the expenditures of the railroads. If any of those rules and working conditions are unjust and unreasonable, they constitute an unwarranted burden for the railroads and for the public."

Now, accepting that, of course, why, we want these witnesses subpoenaed so that we may interrogate them. We want the gentlemen here.

I thank you very much, you certainly lightened our labors this morning.

Mr. Baker: I think Mr. Hunt asked you a question as to what you expected to prove by those witnesses. I do not recall that you answered that question.

Mr. Walsh: Well, perhaps I did not make it clear.

Mr. Baker: I would be glad to know just what you expect to prove by them.

Mr. Walsh: What we expect to prove by those witnesses is that they have control of the finances of all of these railroad companies; that they are familiar with the expenditure of the railroads, and necessarily must be as directors.

While I would not attempt to go into detail as to their evidence, we expect to show by them that these rules and working conditions have not—do not affect the expenditure of the railroads, and that the rules, so far as the expenditures of the railroads are concerned, are not unjust and unreasonable, and that they do not constitute an unwarranted burden upon the railroads which they direct.

Mr. Baker: That is all.

Mr. Hunt: Mr. Walsh, does your position take the extreme point of declaring that no rule in the National Agreement is subject to any improvement?

Mr. Walsh: Not at all. Not at all. I agree and urge that it is the power and the right of this Board to pass upon those—not only at this time, but at all times.

Mr. Hunt: You might agree, then, that there were certain rules which might operate in some instances improperly?

Mr. Walsh: I certainly would.

Mr. Hunt: Which improprieties might be corrected by proper apt language?

Mr. Walsh: Yes, sir, by modification.

Mr. Hunt: By modification?

Mr. Walsh: Yes. I think that is the thought of those whom I represent. It is my thought as a citizen that it ought to be done.

The Chairman: You have something further you want to offer this afternoon, have you?

Mr. Jewell: Yes.

The Chairman: It is now so near the adjourning hour that we will not commence with anybody else.

Mr. Walsh: May I just make one further request, Mr. Chairman, before you recess?

The Chairman: Yes.

Mr. Walsh: Pardon me for the interruption.

The Chairman: Yes.

Mr. Walsh: Just before you adjourn.

The Chairman: Yes.

Mr. Walsh: It has been stated to us that the Chambers of Commerce of the United States have been sending resolutions to this Honorable Board. Is that correct?

The Chairman: There have been resolutions from a great many civic bodies that have been sent to the Board, and are on file in the records of the Board. There are some resolutions from the Chamber of Commerce of the United States. I think it was particularly bearing, as my recollection serves me—I am just stating it from recollection—on the question of being heard on the formation and character of adjustment boards. There may be some other resolutions. There have been quite a number of resolutions sent in, and they are on file with the Board.

Mr. Walsh: Well, I would not want to make this request in a formal way, until, of course, we could consult those resolutions. But the statement was made that those resolutions went directly to the heart of the decisions that this Board

might be called upon to make; for instance, asking the abolition of the National Agreements. I recognize that any person, of course, would have a right, or any body, to adopt a resolution asking for a hearing upon anything, but if such resolutions have been passed here—and I will try to have recourse to them—why, we will ask for the President of the Chamber of Commerce of the United States to be subpoenaed.

Mr. Hunt: Mr. Walsh, I think you can assume that the Board will not be affected by any resolution passed by anybody, but only by the evidence before us which is relevant to the reasonableness of the rules.

Mr. Walsh: Yes. Well, there is this idea. It is difficult to get, I think, the ramifications of evidence, but there is this idea—I believe that if those gentlemen are subpoenaed, that the facts as they view them may differ. I think some of them will give ready assent to the idea that those rules as a whole are wise and just and reasonable.

Mr. Hunt: That would be their opinion.

Mr. Walsh: Yes.

Mr. Hunt: Which would be of no particular consequence, to some members at least.

Mr. Walsh: Unless they were the operators of the railroads, of course, who gave facts upon which the opinion was based.

Now, to the others, why, of course, we would have to make in an orderly way as firm a defense against this testimony as possible. And it might become of great relevancy as to what actuated the motives that were behind them, whether they had organized, for instance—and I do not like to call it a conspiracy—but whether they had organized a movement, regardless of the facts as to whether those rules were wise and just, and as to whether they imposed a burden or not, for the purpose of having them set aside, their object being to crush the unions as a whole.

That is the plain statement of it. We have a right—of course, we would have a right under certain circumstances, to show the motives of witnesses, and to show anything that might have occurred to this time that would show that their motive was not to prevent evidence of the facts to the Board, but to create such a situation that they could pursue their main object successfully.

Mr. Hunt: Well, don't you think, in general, though, that there is grave danger that that course would involve a departure on the part of the Board from the main subject, and lead us into all sorts of difficulties and by-paths, which would occasion loss of time and the postponement of a proper decision?

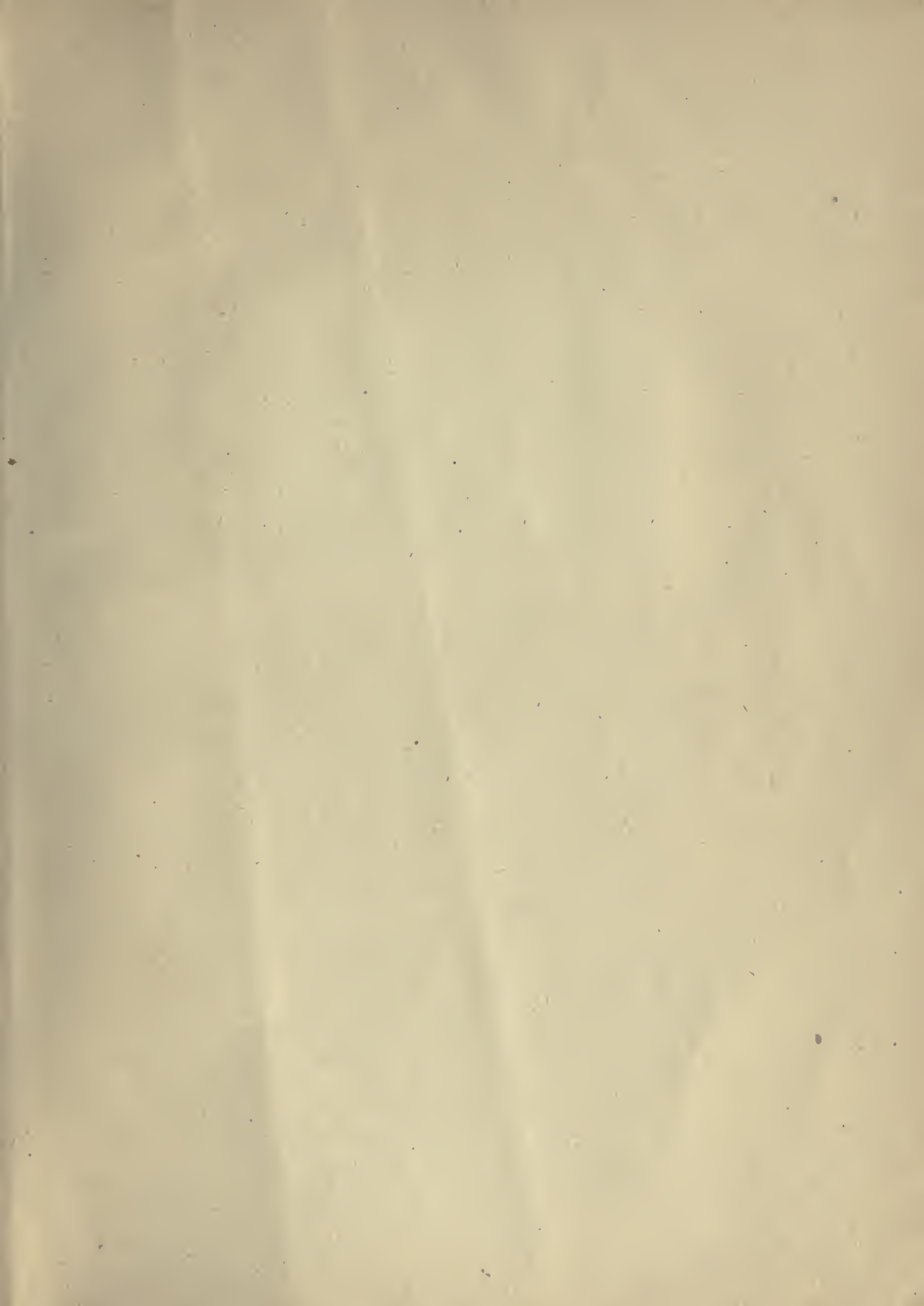
Mr. Walsh: Well, I feel, of course, that anything that the Board—I have that confidence in the Board that tells me that anything that the Board thought was not relevant, they would exclude, but that this is such an important matter that a mere question of time, of hours of time, or even a few days' time, ought not and would not stand in the way of getting the truth.

The Chairman: I want to state that in addition to whatever resolutions are on file—and I do not now recall the exact character—from the United States Chamber of Commerce, there are quite a number from different civic bodies and industrial organizations throughout the United States which are on file, some of which request a hearing by their representatives at this time.

They have not been passed on by the Board. Those resolutions are on file in the records of the Board, and are public records, subject to the inspection of anybody.

And as to whether or not they will be read into the record in the future, the Board has not acted on that. I take it that any kind of a resolution that will come from a reputable body, industrial body throughout the United States would be given due and respectful consideration as proper. They have not so far been made any part of the record of this Board on this hearing.

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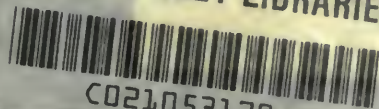
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